which secure residential property including: prepayment penalty, foreclosure without opportunity for judicial hearing, and harassment through collection practices. Prescribes remedies with respect to any violation.

H.R. 12600. March 17, 1976. Agriculture. Amends the Rural Electrification Act of 1936 to revise criteria used in the determination of interest rates for borrowers from the Rural Electrification Administration.

H.R. 12601. March 17, 1976. Judiciary. Expands the annuity plan for widows and dependent children of U.S. judges to include the widowers of such officials and the widows, widowers, and dependent children of the Director of the Federal Judicial Center and the administrative assistant to the Chief Justice of the United States. Shortens the period necessary to vest rights in the annuity payments and changes the basis of their computation.

Establishes a Judicial Survivors' Annuity Fund on the books of the U.S. Treasury.

H.R. 12602. March 17, 1976. Agriculture. Directs the Secretary of Agriculture to make loans available to agricultural producers who suffer losses as a result of having their agricultural commodities or livestock quarantined or condemned because such commodities or livestock have been found to contain toxic chemicals dangerous to the public health.

H.R. 12603. March 17, 1976. Judiciary; Education and Labor.

Prohibits the requirement of quotas, goals designed to establish quotas, or programs to expand applicant pools in affirmative action programs required of Federal grantees or contractors.

Prohibits findings of discrimination (1) based solely on composition of work force or membership, and (2) unless based upon an act of discrimination.

Prohibits court or agency ordered relief for discrimination to enforce quotas or goals which establish quotas.

Prohibits Federal instrumentalities from requiring the collection of data relating to race, color, religion, national origin, or sex, by employers, labor organizations, or Federal grantees or contractors.

H.R. 12604. March 17, 1976. Ways and Means. Amends the Social Security Act to maintain the inpatient hospital deductible under the Medicare program at the level which was applicable during calendar year 1975.

H.R. 12605. March 17, 1976. Government Operations. Revises the fiscal year provisions of specified public laws in order to conform them to the October-September fiscal year.

H.R. 12606. March 17, 1976. Government Operations. Revises provisions of existing law to reflect the transition to the October-September fiscal year.

H.R. 12607. March 17, 1976. Small Business. Amends the Small Business Act to revise the eligibility requirements for small business home-building firms for assistance under the act. Stipulates that determinations by the Small Business Administration of the reasonable assurance of repayment of prospective loans shall be made on a case-by-case basis.

H.R. 12608. March 17, 1976. Interstate and Foreign Commerce. Amends the Federal Power Act to direct the Federal Power Commission to require utilities to file curtailment plans to meet anticipated power shortages.

Requires public hearings on proposals for utility rate increases. Authorizes the Commission to take additional measures to eliminate discriminatory and anticompetitive practices by utilities.

H.R. 12609. March 17, 1976. Ways and Means. Amends the medicare program of the Social Security Act to include payment for eyeglasses and optometric or medical vision care under the supplementary medical insurance program.

H.R. 12610. March 17, 1976. Banking, Currency and Housing. Authorizes the Secretary of the Treasury to make grants to local governments for emergency support of firefighting services in instances where local economic problems threaten to reduce to an unsafe level the number of firefighters.

H.R. 12611. March 17, 1976. Interstate and Foreign Commerce. Amends the Medicaid program of the Social Security Act to authorize the States to include in their plans for medical assistance arrangements for the purchase of laboratory and X-ray services.

H.R. 12612. March 17, 1976. Ways and Means. Amends the Internal Revenue Code to allow a limited tax credit in an amount of $250 for each individual who is at least 61 years of age before the beginning of the taxable year, whose principal place of abode during the taxable year is the principal residence of the taxpayer, and who is not a lodger with the taxpayer.

H.R. 12613. March 17, 1976. Judiciary. Authorizes the admission of a certain individual to the United States for permanent residence.

H.R. 12614. March 17, 1976. Ways and Means. Directs the Secretary of the Treasury to admit a certain bell to the United States free of duty.

H.R. 12615. March 17, 1976. Judiciary. Declares a certain individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

HOUSE JOINT RESOLUTIONS

H.J. Res. 871. March 17, 1976. Judiciary. Proposes a Constitutional amendment stating that the Congress and the States shall have power to protect life including the unborn at every stage of biological development irrespective of age, health, or condition of physical dependency.

H.J. Res. 872. March 17, 1976. Judiciary. Proposes an amendment to the Constitution which includes unborn offspring within the definition of "person" for purposes of the fifth and fourteenth Articles of Amendment to the Constitution.

H.J. Res. 873. March 17, 1976. Post Office and Civil Service. Authorizes and requests the President to issue a proclamation designating the week beginning on November 7, 1976, as "National Respiratory Therapy Week".

H.J. Res 874. March 17, 1976 Post Office and Civil Service. Authorizes the President to issue annually a proclamation designating the seven-day period commencing on April 30 of each year as "National Beta Sigma Phi Week".

H.J. Res. 875. March 18, 1976. Judiciary. Proposes a Constitutional amendment which provides for the election of Presidential and Vice Presidential electors. Provides that the person having the greatest number of electoral votes for President shall be the President, and the person having the greatest number of electoral votes for Vice President shall be the Vice President.

H.J. Res. 876. March 18, 1976. Post Office and Civil Service. Authorizes and requests the President to issue a proclamation designating the week beginning on November 7, 1976, as "National Respiratory Therapy Week".

H.J. Res. 877. March 18, 1976. Post Office and Civil Service. Designates April 8, 1976, as "National Food Day".

H.J. Res. 878. March 18, 1976. Post Office and Civil Service. Designates April 8, 1976, as "National Food Day".

H.J. Res. 879. March 22, 1976. Post Office and Civil Service. Authorizes the President to issue annually a proclamation designating the seven-day period commencing on April 30 of each year as "National Beta Sigma Phi Week".

H.J. Res. 880. March 22, 1976. Post Office and Civil Service. Authorizes the President to designate the second full calendar week in March of 1976 as "National Employ the Older Worker Week".

SENATE—*Tuesday, April 6, 1976*

The Senate met at 12 o'clock meridian and was called to order by the Acting President pro tempore (Mr. METCALF).

PRAYER

The Reverend Prescott B. Wintersteen, D.D., minister, the First Parish in Milton, Milton, Mass., offered the following prayer:

O Thou Heavenly Father, consider the words of each of Thy servants here gathered as he whispers his personal prayer:

Wait, O World, for one short moment, while I climb the secret stairs to that rare plain of survey, from whose height I can catch a distant glimpse of our land's brave past, see a little within myself, anxiously behold the world of my daily involvement, and peer dimly toward the future.

In this brief moment I flee from the strident sounds and tensions, from the pain and strife and puzzlement of this life, to find again that peace, which sometimes seems lost forever—that peace which enables my endurance of this fretful world and engenders within me a fresh resolve to travel the ways of good.

In this moment I hear above the clamor of life's demands and the people's crying needs Thy gentle summons and pledge myself to the larger good, the nobler cause, in the love of truth and in the spirit of Jesus Christ and the holy souls of all the ages, who have joined to Thy worship the service of their fellow men.

Hear, Thou my prayer, O God. Amen.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Monday, April 5, 1976, be dispensed with.

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

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Committee on Armed Services, the Committee on the Judiciary, the Committee on Commerce, and the Select Committee To Study Governmental Operations With Respect to Intelligence Activities be authorized to meet during the session of the Senate today.

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

I ask unanimous consent that all other committees be authorized to meet until 1 p.m. or the end of the morning business, whichever comes later.

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

CONSIDERATION OF CERTAIN MEASURES ON THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate turn to the consideration of Calendar Nos. 701 and 702.

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

NATIONAL MUSEUM OF THE SMITHSONIAN INSTITUTION

The Senate proceeded to consider the bill (S. 2945) to amend the Act of October 15, 1966 (80 Stat. 953; 20 U.S.C. 65a), relating to the National Museum of the Smithsonian, so as to authorize additional appropriations to the Smithsonian Institution for carrying out the purposes of said act, which had been reported from the Committee on Rules and Administration with an amendment on page 1, line 7, strike "1980." and insert "1980."."; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2(b) of the National Museum Act of 1966 (20 U.S.C. 65a) is amended to read:

"(b) There are hereby authorized to be appropriated to the Smithsonian Institution $1,000,000 each year for fiscal years 1978, 1979, and 1980.".

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

INSCRIPTION OF ALASKA AND HAWAII ON THE LINCOLN MEMORIAL

The Senate proceeded to consider the bill (S. 64) to provide for the addition of the names of the States of Alaska and Hawaii to the list of the 48 States inscribed upon the walls of the Lincoln Memorial, which had been reported from the Committee on Interior and Insular Affairs with an amendment on page 2, line 1, following "Hawaii." insert the following:

Such authorization is contingent on approval of the design and plans for such inscriptions by the Commission of Fine Arts, the National Capital Planning Commission, and the Advisory Council on Historic Preservation.

SEC. 2. There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act.

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purpose of adding the names of Alaska and Hawaii to the existing list of names of the forty-eight States inscribed on the walls of the Lincoln National Memorial, the Secretary of the Interior is authorized and directed to take such action as may be necessary to inscribe on the walls of such memorial, at an appropriate place in a manner and style consistent with the existing inscriptions of the names of the forty-eight States, the names of the States of Alaska and Hawaii. Such authorization is contingent on approval of the design and plans for such inscriptions by the Commission of Fine Arts, the National Capital Planning Commission, and the Advisory Council on Historic Preservation.

SEC. 2. There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

THEY SHAME US ALL

Mr. MANSFIELD. Mr. President, last week I had some remarks to make about the crude, cruel, and outrageous behavior of a group of young people in Madison, Wis., in caricaturing Gov. George Wallace, of Alabama, a candidate for the Democratic nomination for the Presidency.

These people came in wheelchairs—and the young can be cruel—wearing masks resembling Arthur Bremer, who attempted to assassinate Governor Wallace. They were obscene in their remarks. I thought it was thoroughly un-American and out of character for this Nation.

At the same time, perhaps, the same group spat upon another Democratic candidate for the Presidency, our colleague, Senator HENRY JACKSON, of Washington.

I do not condone either of those acts. I deplore them. They were utterly uncalled for and distasteful.

In relation to those antics or tactics, I ask unanimous consent that an article on the editor's page of the U.S. News & World Report, under date of April 12, 1976, entitled "They Shame Us All" by Howard Flieger, be printed in the RECORD.

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

THEY SHAME US ALL

(By Howard Flieger)

It is like the gasp forced by a sudden illness to be made to feel ashamed of being an American.

Yet, each and every one of us must feel soiled and degraded because of the mindless conduct of a handful of showoffs in Madison, Wis., the other day.

Imagine spitting into the face of a man who many consider worthy of being elected President of the United States.

Imagine the cruelty of mocking a crippled Governor who aspires to national leadership by taunting him with caricatures of a maniac who maimed him four years ago.

One need not be an admirer of Henry Jackson or George Wallace to be revolted by the crudities of a few who took it upon themselves to bring a presidential campaign down to the sordid level of a Saturday-night brawl in a back alley.

The tragedy is that all of us are their victims, spattered by their muck. Nobody could look at the photograph of Senator Jackson with a glob of spittle coursing down his brow without being ashamed.

There is yet another humiliation. In all likelihood, those who insulted us in Madison aren't even voters. Chances are they won't be around when the polls open.

In the opinion of this writer, they were a coarse-mannered rabble. And the sad thing is that they chose for their uncouth demonstration the soil of a State that has made a distinctive contribution to the political evolution of this country.

Wisconsin produced Joe McCarthy. But it also produced the La Follettes, father and sons, and many others of marked stature. Agree with them or not, some of the great debates on national issues were put in motion by the people of Wisconsin. They added the ginger of discord, and they often added dignity to the public life of America.

Our political history is filled with antics. But it is also filled with cameos of a people who feel deeply the responsibility of governing themselves and of choosing those who will be their leaders.

One has only to read the Federalist Papers, the Lincoln-Douglas debates, the stimulating writings of George Washington, Thomas Jefferson and Woodrow Wilson to thrill at the acuteness of creative thinking that has seasoned the politics of America.

Any man or woman who chooses to bid for the right to lead this nation deserves its respect. One doesn't have to agree with a candidate's program. But each of them offers a choice, and it is both a privilege and a duty for the people to hear them out.

Do Americans spit on them?

Do Americans jeer, stone them with personal insults and demean them with tasteless reminders that four years ago somebody tried and failed to kill—and in so doing crippled a man in body but not in dedication?

Very, very few Americans do such things. That has been true for 200 years, and certainly will be true in the future.

But what of the few? Most of us have never been comfortable with the suppression of minorities. In one sense or another, we are all creatures of minorities. It is the minorities in meld that make majorities.

Still, personal tolerance of other views should not extend to the point of condoning those who besmirch us.

After the Madison episode, Governor Wallace's manager in Wisconsin said:

"Well, this is one of the things we have to put up with. There are a few sick individuals in our society."

That is typical of us Americans—we usually forgive those who offend. And we shrug and "put up with" conduct that hurts us in our own peace of mind.

But we certainly are entitled to resent those few who make the rest of us ashamed.

APPOINTMENT BY THE VICE PRESIDENT

The ACTING PRESIDENT pro tempore. The Chair, on behalf of the Vice President, appoints the Senator from Oregon (Mr. PACKWOOD) to attend the U.N. Conference on Trade and Development—UNCTAD—to be held in Nairobi, Kenya, May 3 to 28, 1976.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. The Senator from Michigan.

Mr. GRIFFIN. Mr. President, I do not seek recognition.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Colorado (Mr. HASKELL) is recognized for not to exceed 15 minutes.

TAX REFORM ACT OF 1975—H.R. 10612

AMENDMENT NO. 1562

(Ordered to be printed and referred to the Committee on Finance.)

CONTINUING EROSION OF THE INCOME TAX BASE

Mr. HASKELL. Mr. President, yesterday I briefly addressed myself to the subject of the continuing erosion of the income tax base, pointing out that corporate revenues from income taxes had declined over the past 15 years dramatically and pointing out that the so-called progressive tax on individuals is, in fact, not very progressive.

I discussed two reasons for this unfortunate situation: First, special rates of tax given to special people; and second, artificial deductions given to certain people. Artificial deductions have been defined by the Committee on Ways and Means in their report as accelerated deductions which, in fact, do not reflect real economic losses.

Yesterday, Mr. President, I submitted one amendment, and I intend to submit today a second amendment, to try and effect some structural reforms in our income tax laws.

The amendment which I am submitting today would repeal two particularly invidious artificial deductions. One is the so-called ADR or asset depreciation range. If repealed, we would then add to the Federal Treasury $1.6 billion for fiscal year 1977. The second amendment repeals the other so-called rapid depreciation schemes on real property, which would add to the Federal Treasury $1.3 billion. This is a total of $2.9 billion.

Quite obviously, Mr. President, anybody investing in income-producing property is entitled to depreciation, and the depreciation should be over the useful life of the asset, whether that is measured in a period of time or whether it is measured by use; that is, the number of units a particular machine puts out.

But these artificial deductions, which, in the case of the asset depreciation range, allow an arbitrary 20 percent shorter useful life, and in the case of accelerated depreciation, double the normal depreciation deductions, are the source of great erosion of income tax base. They skew the economy, in that they induce people to make investments for tax rather than economic reasons. They are used most frequently by the larger corporate enterprises of this country. They are not reflective of what would be normal expenses on a balance sheet. And, Mr. President, they do another thing: Because of these artificial deductions, which might be compared to phantom freight in the antitrust laws, the use of so-called tax shelters arises.

The Committee on Ways and Means in the House of Representatives recognized the artificiality of these deductions, but instead of eliminating them, the committee tried to patch up the so-called tax shelters by placing some limits on them. One of our goals—at least I assume it is one of our goals—in income taxation is simplicity. But by trying to patch up tax shelters, the Committee on Ways and Means has written about 35 complicated provisions into the measure now before the Committee on Finance of the Senate, when they could have attacked artificial deductions head on, and eliminated them. By one sentence, they could have repealed this particular provision and saved themselves 35 pages of great complexity.

Of course, there will be those who argue that these artificially rapid deductions are merely deferrals of income tax. It is very obvious, I think, to anyone who has looked into the matter, that in an expanding corporate enterprise, this is not just deferral. It is tax forgiveness, because as the company adds to depreciable property year by year as it grows—and this is particularly true in the utility field—the deferred taxes never catch up with them, because they are always taking twice as much depreciation as they are entitled to. The huge depreciation deductions more than offset the recaptured losses of past years. But even, Mr. President, should it not be a permanent avoidance of income taxes, at the very least it is an interest-free loan from the U.S. Government to those certain individuals, and I see no reason why the U.S. Government should grant interest-free loans. Certainly no Member of this body and no member of the public could go into a financial institution and get a comparable loan.

For this reason, I submit an amendment to H.R. 10612, which I shall present at the markup of that bill in the Committee on Finance, and if the Committee on Finance does not see fit to adopt it, I will then pursue it on the floor.

The ACTING PRESIDENT pro tempore. Without objection, the amendment will be rceived and printed, and appropriately referred.

Mr. HASKELL. Mr. President, I reiterate what I stated yesterday, that I have additional amendments—actually only two or three—which pick up a total of about $15 billion in tax shelters that we can use to provide tax relief to the low-income and middle-income groups. If the Committee on Finance will not accept these amendments, I hope that the Senate as a whole will.

I yield back the remainder of my time.

ORDER OF BUSINESS

Mr. PROXMIRE. Mr. President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. PROXMIRE. It is my understanding that the Senator from Missouri (Mr. EAGLETON) has had time reserved following the Senator from Colorado (Mr. HASKELL); is that corect?

The ACTING PRESIDENT pro tempore. That is correct. Under the previous order, the Senator from Missouri has 15 minutes.

Mr. PROXMIRE. I have discussed this with Senator EAGLETON, and it is all right with him if I go ahead with remarks I have prepared in response to his speech.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the 15 minutes assigned to the Senator from Missouri (Mr. EAGLETON) be transferred to the Senator from Wisconsin (Mr. PROXMIRE).

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

Mr. PROXMIRE. I thank the Senator, and I am sure Senator EAGLETON appreciates it as well. We have an urgent matter before the committee.

(By unanimous consent, the remarks made by Mr. PROXMIRE at this point in the proceedings are printed in today's RECORD following the remarks of Mr. EAGLETON.)

DR. MALCOLM CURRIE

Mr. EAGLETON. Mr. President, yesterday's New York Times contains a disturbing story about the activities of a man who has more to do with the spending of taxpayers' money than any other single Government employee. That man is Dr. Malcolm Currie, the Pentagon's Director of Research and Development. Dr. Currie, like many of his colleagues in Gerald Ford's Pentagon, is a former employee of a large defense contractor, in this instance Hughes Aircraft—historical note—prominently mentioned in today's press.

According to the Times story, by the experienced defense reporter, John Finney, Dr. Currie was confronted with a crucial decision upon his return from Bimini in the Bahamas, where he was flown for a free fishing vacation on a Rockwell International jet. Would he recommend approval for Rockwell's Condor missile? Or would he acknowledge the serious technical difficulties a Navy test team had revealed and recommend delay or cancellation of the $500 million project?

According to the Times story, Dr. Currie not only recommended approval of the missile, but he also signed a memorandum emphatically endorsing the Condor program and strongly recommending a production go-ahead.

At a September 29 meeting to decide Condor's fate, Dr. Currie reportedly said that—

> He had been assured by company officials that the developmental problems (described so explicitly in the Navy report) could be overcome.

The other three principals at that meeting indicated they would vote again against a production go-ahead, according to the New York Times. Yet Dr. Currie went to extraordinary lengths to switch their votes on the decision. He eventually prevailed upon two of his colleagues and Condor seemed in the clear. Fortunately, however, conscientious Defense Department employees let GAO defense analysts in on Condor's problems.

Deputy Secretary William Clements had no choice but to take the advice of GAO and reversed Dr. Currie's recommendation. But a deliberate decision was then apparently made to keep this decision from the Senate Appropriations

Committee, which at the time was marking up the defense bill.

Mr. President, I became aware of the details of this decision as the defense bill was being considered on the Senate floor in November of last year. I joined with Chairman McCLELLAN in an amendment to hold back production money for Condor until the Navy proved it would work effectively. Yet I did not know until yesterday about the highly questionable tactics used by Dr. Currie to advance the cause of a system he knew to have serious technical deficiencies.

Just last week Dr. Currie was in Europe negotiating important matters with our NATO allies. He is continually making decisions worth millions to Rockwell and Hughes and other defense contractors. And he frequently appears as a witness before congressional committees to support the R. & D. portion of the defense budget.

A man with this responsibility should not be allowed to continue under this dark cloud of suspicion. The integrity of a man who handles 10 billion tax dollars annually must be unassailable.

The Times story also quotes an industry representative as stating that Dr. Currie was "making the rounds" to inquire about prospective employment with defense contractors. It also raises serious questions about his relationship with his former employer, Hughes Aircraft. If indeed Dr. Currie had this type of relationship with industry, could he reasonably be expected to impartially decide matters affecting those firms?

It is known, for example, that Dr. Currie personally negotiated with the German and French Governments for the Roland air defense system.

He approved extensive modifications to that system—modifications which became highly controversial because the foreign manufacturers considered them unnecessary. Interestingly, Hughes Aircraft was awarded the contract to develop the expensive changes. The contract has thus far resulted in a $40 million cost overrun.

Perhaps this and other decisions were made simply because Dr. Currie, as the Times describes it, has a "technological zeal for new weapons." Whatever may have been Dr. Currie's motive, the appearance of impropriety has now badly damaged the credibility of a man who is constantly called upon to make controversial decisions involving millions of dollars.

Mr. President, this newspaper account raises grave questions of personal conduct that cannot go unanswered. I have written to Secretary of Defense Rumsfeld to ask that he immediately suspend Dr. Currie until an investigation of these highly questionable actions is conducted.

Whether or not there is a connection between Dr. Currie's Rockwell-sponsored vacation to Bimini and his decision to support Condor—or whether or not Dr. Currie was arranging his own prospective employment with defense contractors, the appearance of impropriety must now be dealt with forthwith. The fine previously levied by Secretary Rumsfeld, because of Dr. Currie's Bimini trip is nct sufficient to clear this contaminated air. Dr. Currie will not regain the confidence he needs to fulfill his responsibilities until these serious charges are answered in full.

In fairness to Dr. Currie, there may be no improper connection whatsoever between his decision on Condor and his relationship with Rockwell. He may have had some valid reason for ignoring the Navy's test report and for taking the extraordinary steps he did to win approval for the missile. In addition, those who claimed that he has been improperly approaching contractors for work may have been mistaken.

Dr. Currie should have the opportunity to defend himself in a public forum. I am hopeful that a congressional committee will urgently examine these charges and either clear Dr. Currie or censure him.

I note that Senator PROXMIRE's Joint Committee on Defense Production has been closely examing these conflict-of-interest cases. I hope Chairman PROXMIRE will give this matter his immediate attention.

Until these matters are resolved, Dr. Currie should be prevented from making any further decisions that affect the defense of this country.

Mr. President, I ask unanimous consent that my letter of April 5 to Secretary Rumsfeld and the New York Times article by Mr. Finney be printed in the RECORD.

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

Hon. DONALD H. RUMSFELD,
Secretary of Defense, Department of Defense, The Pentagon, Washington, D.C.

DEAR MR. SECRETARY: This morning's *New York Times* contains a story by correspondent John W. Finney which raises very serious questions about the activities of Dr. Malcolm R. Currie, your Director of Defense Research and Engineering. This article indicates that Dr. Currie went to extraordinary lengths to gain the Department's approval of the CONDOR missile program despite the fact that a Navy test group and other offices within OSD raised serious questions about the missile's reliability.

While taking these actions to override the recommendations of an independent test group should normally raise questions, the circumstances here are particularly suspect. Dr. Currie's actions in favor of the CONDOR program were taken immediately upon his return from Bimini where he was flown for a vacation on a Rockwell International jet. As you know, Rockwell produces the CONDOR missiles.

The *Times* story also raises serious questions about Dr. Currie's relationship with his former employer, Hughes Aircraft, and quotes industry sources as stating that Dr. Currie has "made the rounds" of defense contractors to inquire about prospective employment. If these allegations are true, Dr. Currie could be in violation of the section of the Federal Code which specifies that a government official must not have any dealings with a firm with which he has a prospective arrangement for employment. These allegations are, therefore, extremely serious.

It is my feeling that Dr. Currie should not be allowed to continue in his highly sensitive position until these matters have been carefully examined and resolved in his favor. The Director of Research and Development at the Defense Department is frequently called upon to decide controversial issues involving millions of dollars. Congress and the American public must have the utmost confidence that an individual in Dr. Currie's position is basing his decisions solely on the technological merit of the systems at issue.

I call upon you to suspend Dr. Currie immediately and to urgently investigate the allegations contained in this *New York Times* article. Your prompt and forthright action will go far in reinstating public confidence in your Department's operations.

Sincerely yours,

THOMAS F. EAGLETON,
U.S. Senator.

[From the New York Times, Apr. 5, 1976]

FUROR OVER MISSILE DECISION REFLECTS PITFALLS OF POLICYMAKING JOBS IN THE PENTAGON

(By John W. Finney)

WASHINGTON, April 4.—At a time when the conflict-of-interest problem has risen once again to haunt the Pentagon, Dr. Malcolm R. Currie, director of defense research and engineering, symbolizes the ethical judgments and pitfalls confronting industry executives who move into policy-making jobs in the Defense Department.

Over the last two and a half years in the key Pentagon post, in which he supervises a $10 billion-a-year research enterprise, Dr. Currie has gained a reputation as an able administrator and articulate spokesman for the department's massive research and development program. If his superiors have had one criticism it has been that, with his technological zeal for new weapons, he has been too pliant to the wishes and pressures of the military.

Then, as Dr. Currie acknowledges, he made a serious mistake in judgment. Last Labor Day weekend he accepted an invitation to go to a fishing lodge maintained by Rockwell International Corporation, a major defense contractor, on Bimini Island in the Bahamas.

For that indiscretion, Dr. Currie was severely reprimanded by Defense Secretary Donald H. Rumsfeld and was fined one month's pay for violating the Defense Department's "standards of conduct" regulation that specifically prohibits Defense officials from accepting entertainment from defense contractors.

At the same time, Mr. Rumsfeld has permitted Dr. Currie to continue his influential involvement in major weapons programs being handled by Rockwell International, such as the B-1 strategic bomber being developed for the Air Force and the Condor missile for the Navy.

Within the defense industry there is some feeling that Dr. Currie was unjustly punished and was the victim of retroactive morality for engaging in a once commonly accepted practice of entertainment of Defense officials.

At the same time, questions have been raised about the impartiality of Dr. Currie in view of his entertainment by Rockwell International and his past association with other defense contractors, such as Hughes Aircraft Company.

IMPARTIALITY QUERIED

John W. Gardner, chairman of Common Cause, a public affairs lobbying organization, wrote Mr. Rumsfeld advising that Dr. Currie be removed from any role in the B-1 program. The advice was promptly rejected through Mr. Rumsfeld's spokesman, William L. Greener.

In the wake of the disclosure of his trip to Bimini, some staff officials in the Defense

Department have suggested in interviews that Dr. Currie demonstrated partiality toward the controversial Condor missile being developed by Rockwell International.

They cite as evidence that on the day after he returned from Bimini in a company plane, Dr. Currie strongly urged that production be approved for the missile, which was still having developmental and reliability problems.

Dr. Currie's recommendation was described by these officials as the first in a series of personal interventions by the Defense research chief in the next month to save the $500 million Condor missile program from cancellation.

Dr. Currie and his immediate superior, Deputy Defense Secretary William P. Clements Jr., do not believe that the official displayed any particular favoritism toward Rockwell International. Their position has been that Dr. Currie had always been an enthusiastic supporter of the Condor program, that his attitude did not change after his entertainment by the president of Rockwell International and that in urging a production go-ahead he was exercising the technical judgment expected of his office.

As the official supervising the Defense Department's research and development program, Dr. Currie is the most important figure in the Pentagon for the defense contractors. He is in a position to influence or determine which weapons development programs are pursued and then is influential in deciding whether the weapons are placed in production.

JOB OFFER DENIED

There are reports, within the Pentagon and industry, that for some months Dr. Currie has been planning to leave his Defense Department post to return to industry.

An executive in one major concern reported that about a year ago Dr. Currie began dropping hints in personal meetings that he would be leaving the Pentagon and was looking for a job. According to this executive, Dr. Currie said that he was "making the rounds" of defense contractors, inquiring about prospective employment opportunities.

One report circulating in Dr. Currie's office and in defense industry circles is that he has been offered a key job in Hughes Aircraft, the ninth-ranking defense contractor, when he leaves the Pentagon.

Through a spokesman, Dr. Currie denied that he had had any job or commitment from Hughes or that he had been seeking a job in the defense industry.

Dr. Currie accepted the invitation to visit the Rockwell International fishing lodge at a time when he knew that in the next few weeks the Defense Department would have to reach a crucial decision on the Condor program, which represented an attempt by the company to get back into the missile business.

The question before the Defense Department was whether to go into production of the Condor, an air-launched missile that is one of the new generation of "smart bombs." Nearly $300 million had already been invested in development of the television-guided missile, but it was still having reliability problems, according to a Navy study.

The production decision was to be made by a Pentagon committee known as the defense systems acquisition review committee. Dr. Currie was a member of that committee along with Terence E. McClary, comptroller of the Defense Department; John J. Bennett, Acting Assistant Secretary of Defense for installations and logistics and Leonard Sullivan Jr., then Assistant Secretary of Defense for program analysis and evaluation.

DISAGREEMENT OVER MISSILE

The committee's meeting on the Condor program had been scheduled some weeks previously for Sept. 30. On Sept. 2, the day after Dr. Currie returned from Bimini on a Rockwell plane, his test and evaluation staff convened a preliminary meeting to consider the test results of the Condor program.

Of particular concern was a report from the Navy's test that on 19 test firings of the missile, there had been 12 successes and five failures and two "no tests." The report recommended against production until the reliability problems troubling the missile could be solved.

According to participants in the staff meeting, Dr. Currie sent a memorandum to the meeting emphatically endorsing the Condor program and strongly recommending a production go-ahead.

The four members of the committee held an executive meeting on Sept. 29 to review the issues to be discussed with the Navy at the formal committee meeting the next day.

The formal meeting ended with the committee divided, according to staff officials who participated. Dr. Currie was in favor of production. Mr. Sullivan was for killing the Condor program, which he described as one of those "nice-to-have weapons" but only if its cost was low and its reliability was high. The cost of the Condor had grown to $1 million a missile and there was considerable question about its reliability and whether it could operate effectively in cloudy conditions or against countermeasures.

Other, lower-ranking Defense officials involved in the discussions of the Condor program, however, drew a link between Dr. Currie's personal connection with the defense contractor and what they described as his emphatic defense of the Condor program despite its technical difficulties.

Mr. Bennett, the chairman of the committee, had been advised by his staff to support cancellation of the program and in his critical questions indicated opposition to production. Mr. Bennett told a reporter recently, however, that he was only asking "tough questions to bring out the facts."

Mr. McClary, who had also been urged by his staff to terminate the program, also indicated some opposition to production in his questioning but seemed to be wavering, according to participants.

Within a few days after the committee meeting, staff officials report, Dr. Currie took what they describe as the unusual step by sending a memorandum to Mr. McClary and not to the two other members of the committee.

In the memorandum, Dr. Currie recommended that the panel recommend production of the missile, but with the understanding that its technical problems would have to be resolved first.

"Currie was singling out the waverer and trying to bring him over to his side," observed one staff aide to Mr. McClary.

Mr. McClary, who had his personal differences with Mr. Sullivan, accepted the Currie memorandum without checking any further with his staff, according to a Pentagon official. The Currie memorandum was then taken to Mr. Bennett and was adopted as the committee's recommendation, with Mr. Sullivan dissenting.

Unknown to any of the committee members, a Defense staff official, disturbed over Dr. Currie's intervention, turned a copy of the critical Navy study over to the General Accounting Office, which was already studying the Condor program.

Sometime in October, R. W. Guttman, director of the procurement and systems acquisition division in the G.A.O., the investigative arm of Congress, wrote to Mr. Clements expressing concern about the Defense Department move to order the missile into production, particularly in light of the reliability problems described in the Navy report.

Mr. Clements changed the thrust of the committee recommendation. In a Nov. 4 memorandum he directed that the Navy conduct further reliability testing and that no production funds be released until the missile's deficiencies had been corrected.

Senator Thomas F. Eagleton, Democrat of Missouri, who had been told of the situation by the G.A.O. in November, won acceptance of an amendment to the Defense appropriations bill specifying that no money could be spent on production until the Secretary of Defense certified to Congress that the weapon's reliability problems had been solved.

Dr. Currie declined to talk to a reporter about his involvement in the Condor program or his relations with other defense contractors, such as Hughes Aircraft Company. Through a spokesman, however, he said that there had been no conflict of interest and that he had displayed no bias in his recommendations on the Condor.

In addition to the fishing lodge at Bimini, Rockwell International has maintained hunting lodges at Wye Island on Chesapeake Bay, and at Farmington, Pa., and Pinebloom, Ga.

According to lists made public by Senator William Proxmire, Democrat of Wisconsin, more than 100 military and civilian officials of the Defense Department have been entertained at the fishing and hunting lodges since 1973. Among those on the lists were several officers involved with the Condor program.

"THREATS" BY CONTRACTOR

Two Pentagon sources reported independently that Rockwell International representatives, who have ready access to Pentagon offices, have threatened to ruin the military careers of officers critical of the Condor program.

The close relationship that sometimes develops between contractors and Defense officials, in what President Eisenhower in his farewell message described as "the military industrial complex" has become a growing problem, in the view of many familiar with it.

In the opinion of a number of long-time Pentagon officials, the problem has become more pronounced in recent years because of the tendency of Deputy Defense Secretary Clements to recruit industry officials in mid-career to fill civilian policy-making posts in the Defense Department and the three individual services.

In effect, the officials are on a leave of absence from industry and, after two or three years of public service in the Defense Department, expect to return to industry.

Without such a leave arrangement, Defense officials maintain, it would be extremely difficult to recruit competent executives. The Pentagon has had difficulty in filling top posts in recent years, partly because of the relatively low salaries and partly because of apparent increasing aversion to working for the Government.

Dr. Currie, who is 49 years old, came to his $42,000-a-year post in the Defense Department in June 1973. He previously served for 19 years as an engineer and corporate executive with Hughes Aircraft Company and then for four years as vice president for research and development of Beckman Instruments Inc. of Fullerton, Calif.

He was the first industry executive to serve in the Defense research post—the fourth-ranking civilian job in the Pentagon.

(The following remarks by Mr. PROXMIRE were delivered earlier and are printed at this point in today's RECORD by unanimous consent.)

Mr. PROXMIRE. Mr. President, the Senator from Missouri (Mr. EAGLETON) raises a number of important issues here today with regard to conflict of interest. Perhaps in no other area of Government is there more latitude for shortchanging the taxpayer than in conflict of interest. Furthermore, when a conflict situation exists within the Defense Department, our defense activities could suffer.

The Senator from Missouri has done an excellent job of keeping an eye on the Condor program and the AWACS and the XM-1 tank. I know few who can equal his detailed knowledge or determination to uncover the facts. We need only to remember his work on the MBT-70 to conclude that he knows how to protect the interest of the taxpayers.

That is why his remarks today carry such weight. He has followed the Condor program from its inception.

It seems clear that an investigation into the facts surrounding this case should be made. The Joint Committee on Defense Production is currently involved in a number of conflict-of-interest cases arising out of its responsibilities under the Defense Production Act. I believe that the matter at hand would be an appropriate extension of the committee's ongoing work and I would so recommend to the joint committee.

Should it come to pass that the joint committee does undertake an investigation into the Dr. Currie matter, I would insist that it be conducted in a highly professional unbiased manner over a relatively short period of time and in cooperation with any other committee of Congress expressing an interest. It undoubtedly would require interviewing, sworn statements, and access to records.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business, not to extend beyond 1 p.m., with statements therein limited to 5 minutes each.

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

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

The second assistant legislative clerk proceeded to call the roll.

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

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

PRIVILEGES OF THE FLOOR—S. 3136

Mr. LEAHY. Mr. President, I ask unanimous consent that Herbert Jolovitz and Mary Sullivan of my staff be granted privileges of the floor during all the deliberations of the National Food Stamp Reform Act of 1976.

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

Mr. DOMENICI. Mr. President, I ask unanimous consent that Mickey Barnett of my staff be granted privileges of the floor during all deliberations of the National Food Stamp Reform Act of 1976.

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

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Roddy, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore (Mr. METCALF) laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 12:03 p.m., a message from the House of Representatives delivered by Mr. Hackney, one of its reading clerks, announced that the House has passed the following joint resolutions, with amendments, in which it requests the concurrence of the Senate:

S.J. Res. 35. Joint resolution to provide for the designation of the second full calendar week in March 1976 as "National Employ the Older Worker Week," and

S.J. Res. 101. Joint resolution to authorize the President to issue a proclamation designating that week in November which includes Thanksgiving Day as "National Family Week."

The message also announced that the House has passed the following bills and joint resolutions, in which it requests the concurrence of the Senate:

H.R. 5446. An act to implement the Convention on the International Regulations for Preventing Collisions at Sea, 1972;

H.R. 8957. An act to raise the limitation on appropriations for the U.S. Commission on Civil Rights;

H.R. 9811. An act to designate the Veterans' Administration hospital in Madison, Wis., as the "William S. Middleton Memorial Veterans' Hospital," and for other purposes;

H.R. 11140. An act to require that a national cemetery be established at Quantico, Va.; and

H.R. 11559. An act to authorize appropriations for the saline water conversion program for fiscal year 1977.

H.R. 11670. An act to authorize appropriations for the Coast Guard for the procurement of vessels and aircraft and construction of shore and offshore establishments, to authorize for the Coast Guard a year-end strength for active duty personnel, to authorize for the Coast Guard average military student loads, and for other purposes;

H.R. 11722. An Act to amend title 18 of the United States Code to prohibit deprivation of employment or other benefit for political contribution, and for other purposes;

H.R. 11876. An act to amend the Water Resources Planning Act (79 Stat. 244) as amended;

H.R. 13012. An act to amend the Public Health Service Act to authorize and require the establishment and implementation of a national influenza immunization program;

H.J. Res. 491. A joint resolution to extend support under the joint resolution providing for Allen J. Ellender fellowships to disadvantaged secondary school students, and for other purposes;

H.J. Res. 726. A joint resolution to authorize and request the President to establish a "National Bicentennial Highway Safety Year"; and

H.J. Res. 890. A joint resolution making emergency supplemental appropriations for preventive health services for the fiscal year ending June 30, 1976, and for other purposes.

ENROLLED JOINT RESOLUTION SIGNED

The message further announced that the Speaker has signed the following enrolled joint resolution:

H.J. Res. 670. A joint resolution to designate April 13, 1976, as "Thomas Jefferson Day".

The enrolled joint resolution was subsequently signed by the Acting President pro tempore (Mr. METCALF).

At 4:20 p.m., a message from the House of Representatives delivered by Mr. Hackney, announced that the House disagrees to the amendment of the Senate to the bill (H.R. 9771) to amend the Airport and Airway Development Act of 1970; requests a conference with the Senate on the disagreeing votes of the two Houses thereon; and that Mr. ANDERSON of California, Mr. WRIGHT, Mr. ROE, Mr. RONCALIO, Mr. MCCORMACK, Mr. HARSHA, and Mr. SNYDER were appointed managers of the conference on the part of the House.

The message also announced that the House insists upon its amendments to the bill (S. 3065) to amend the Federal Election Campaign Act of 1971 to provide for its administration by a Federal Election Commission appointed in accordance with the requirements of the Constitution, and for other purposes, disagreed to by the Senate; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. HAYS of Ohio, Mr. DENT, Mr. BRADEMAS, Mr. MATHIS, Mr. DAVIS, Mr. DICKINSON, and Mr. WIGGINS were appointed managers of the conference on the part of the House.

The message further announced that the House has passed the following bills, without amendment:

S. 719. An act granting a renewal of patent numbered 92,187 relating to the badge of the Sons of the American Legion;

S. 720. An act granting a renewal of patent numbered 54,296 relating to the badge of the American Legion;

S. 721. An act granting a renewal of patent numbered 55,398 relating to the badge of the American Legion Auxiliary;

S. 804. An act for the relief of Zoraida E. Lastimosa;

S. 832. An act for the relief of Kristen Marisol Kneebone; and

S. 3108. An act to amend Public Law 94-187 to increase the authorization for appropriations to the Energy Research and Development Administration in accordance with section 261 of the Atomic Energy Act of 1954, as amended, section 305 of the Energy Reorganization Act of 1974, and section 16 of the Federal Nonnuclear Energy

Research and Developmet Act of 1974, and for other purposes.

The message also announced that the Speaker has signed the following enrolled bill:

S. 2308. An act to provide for the modification of the boundaries of the Bristol Cliffs Wilderness Area.

The enrolled bill was subsequently signed by the President pro tempore (Mr. EASTLAND).

HOUSE BILLS AND JOINT RESOLUTIONS REFERRED

The following bills and joint resolutions were read twice by their titles and referred as indicated:

H.R. 5446. An act to implement the Convention on the International Regulations for Preventing Collisions at Sea, 1972; to the Committee on Commerce.

H.R. 8957. An act to raise the limitation on appropriations for the U.S. Commission on Civil Rights; to the Committee on the Judiciary.

H.R. 9811. An act to designate the Veterans' Administration hospital in Madison, Wisc., as the "William S. Middleton Memorial Veterans' Hospital," and for other purposes; to the Committee on Veterans' Affairs.

H.R. 11140. An act to require that a national cemetery be established at Quantico, Va.; to the Committee on Veterans' Affairs.

H.R. 11559. An act to authorize appropriations for the saline water conversion program for fiscal year 1977; to the Committee on Interior and Insular Affairs.

H.R. 11670. An act to authorize appropriations for the Coast Guard for the procurement of vessels and aircraft and construction of shore and offshore establishments, to authorize for the Coast Guard a year-end strength for active duty personnel, to authorize for the Coast Guard average military student loads, and for other purposes; to the Committee on Commerce.

H.R. 11722. An act to amend title 18 of the United States Code to prohibit deprivation of employment or other benefit for political contribution, and for other purposes; to the Committee on the Judiciary.

H.R. 11876. An act to amend the Water Resources Planning Act (79 Stat. 244), as amended; to the Committee on Interior and Insular Affairs.

H.R. 13012. An act to amend the Public Health Service Act to authorize and require the establishment and implementation of a national influenza immunization program; to the Committee on Labor and Public Welfare.

H.J. Res. 726. A joint resolution to authorize and request the President to establish a "National Bicentennial Highway Safety Year"; to the Committee on the Judiciary.

H.J. Res. 890. A joint resolution making emergency supplemental appropriations for preventive health services for the fiscal year ending June 30, 1976, and for other purposes; to the Committee on Appropriations.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore (Mr. METCALF) laid before the Senate the following letters, which were referred as indicated:

PROPOSED SUPPLEMENTAL APPROPRIATION REQUEST TO PAY CLAIMS AND JUDGMENTS RENDERED AGAINST THE UNITED STATES

A communication from the President of the United States, submitting a proposed supplemental appropriation to pay claims and judgments rendered against the United States, as provided by various laws, in the amount of $12,282,519, together with such amounts as may be necessary to pay indefinite interest and costs (with accompanying papers); to the Committee on Appropriations and ordered to be printed.

ANIMAL WELFARE ENFORCEMENT REPORT

A letter from the Under Secretary of the Department of Agriculture, transmitting, pursuant to law, the annual report for 1975 on Animal Welfare Enforcement (with an accompanying report); to the Committee on Commerce.

PROPOSED LEGISLATION CONCERNING MARITIME INDUSTRY

A letter from the Secretary of Transportation, transmitting proposed legislation to amend the laws relating to the qualification and certification of able seamen and qualified members of the engine department, to encourage young persons to choose a maritime career by increasing and enhancing the employment opportunities in that career, and to help meet the needs of the maritime industry for qualified persons (with an accompanying report); to the Committee on Commerce.

REPORT OF THE FEDERAL TRADE COMMISSION

A letter from the Chairman of the Federal Trade Commission transmitting, pursuant to law, the 61st Annual Report of the Federal Trade Commission covering its accomplishments during the fiscal year ended June 30, 1975 (with an accompanying report); to the Committee on Commerce.

REPORT ON TRADE BETWEEN THE UNITED STATES AND THE NONMARKET ECONOMY COUNTRIES

A letter from the Chairman of the U.S. International Trade Commission, transmitting pursuant to law, the fifth quarterly report on trade between the United States and the nonmarket economy countries (with an accompanying report); to the Committee on Finance.

REPORT OF A PROPOSED NEW SYSTEM OF RECORDS

A letter from the Records Officer, U.S. Postal Service, Finance Group, transmitting, pursuant to law, the report of a proposed new system of records (with an accompanying report); to the Committee on Government Operations.

REPORTS OF THE COMPTROLLER GENERAL

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the role of Federal coal resources in meeting national energy goals which need to be determined and the leasing process improved (with an accompanying report); to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on special priorities assistance program: its shortfalls and its possibilities, Multiagency (with an accompanying report); to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on new child support legislation—its potential impact and how to improve it, Office of Child Support Enforcement, Department of Health, Education, and Welfare (with an accompanying report); to the Committee on Government Operations.

PRICE OF U.S. OIL IMPORTS

A letter from the Administrator of the Federal Energy Administration transmitting, pursuant to law, a Report on the Feasibility of Reducing the Price of U.S. Oil Imports by Providing Incentives for Domestic Producer/Importers (with an accompanying report); to the Committee on Interior and Insular Affairs.

REPORT OF THE GOVERNMENT COMPTROLLER OF GUAM/TTPI

A letter from the Director of Territorial Affairs, Department of the Interior, transmitting, pursuant to law, the annual report of the Government Comptroller for Guam/TTPI on the fiscal condition of the Government of Guam for the year ended June 30, 1975 (with an accompanying report); to the Committee on Interior and Insular Affairs.

PROPOSED PLAN FOR USE AND DISTRIBUTION OF THE AWARD GRANTED TO THE THREE AFFILIATED TRIBES OF THE FORT BERTHOLD RESERVATION

A letter from the Secretary of the Interior, transmitting, pursuant to law, a proposed plan for the use and distribution of the award granted to the Three Affiliated Tribes of the Fort Berthold Reservation in Docket 350-F before the Indian Claims Commission (with an accompanying document); to the Committee on Interior and Insular Affairs.

REPORT TO CONGRESS ON ABNORMAL OCCURRENCES

A letter from the Chairman, Nuclear Regulatory Commission, transmitting, pursuant to law, the third report on abnormal occurrences at or associated with licensed or otherwise regulated facilities, October-December 1975 (with an accompanying report); to the Joint Committee on Atomic Energy.

REPORT OF THE NATIONAL INSTITUTE OF ARTS AND LETTERS

A letter from the Secretary, The National Institute of Arts and Letters, reporting, pursuant to law, on the activities of the National Institute of Arts and Letters during the year 1975; to the Committee on the Judiciary.

THIRD PREFERENCE AND SIXTH PREFERENCE CLASSIFICATION OF CERTAIN ALIENS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, reports relating to third preference and sixth preference classification for certain aliens (with accompanying papers); to the Committee on the Judiciary.

ORDERS SUSPENDING DEPORTATION OF CERTAIN ALIENS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, orders suspending deportation of certain aliens (with accompanying papers); to the Committee on the Judiciary.

REPORTS ON THE ADMINISTRATION OF THE FREEDOM OF INFORMATION ACT

Letters transmitting, pursuant to law, reports on the administration of the Freedom of Information Act for the calendar year 1975, from the following:

The President, Inter-American Foundation;

The Staff Director, U.S. Commission on Civil Rights;

The General Counsel, Office of Telecommunications Policy;

The Executive Secretary, Occupational Safety and Health Review Commission;

The Director, Freedom of Information Office, Office of Communications and Public Affairs, Federal Energy Administration; and

The General Counsel, Council on Wage and Price Stability, Executive Office of the President (with accompanying papers); to the Committee on the Judiciary.

REPORT OF THE ADVISORY COUNCIL ON EDUCATION STATISTICS

A letter from the Assistant Secretary for Education, Office of the Assistant Secretary for Education, Department of Health, Education, and Welfare, transmitting, pursuant to law, a report on the Advisory Council on Education Statistics, on the membership and functions of the Council, a summary of Council activities, and the findings and recommendations made during the previous calendar year (with an accompanying report); to the Committee on Labor and Public Welfare.

REPORT ON PRESIDENTIAL ADVISORY COMMITTEE RECOMMENDATIONS

A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a report on Presidential Advisory Committee recommendations, March 1976 (with an accompanying report); to the Committee on Labor and Public Welfare.

REPORT OF THE WATER RESOURCES COUNCIL

A letter from the Chairman, U.S. Water Resources Council, reporting, pursuant to law, on the activities of the Federal Water Resources Council; to the Committee on Public Works.

REPORT ON THE RAILROAD-HIGHWAY DEMONSTRATION PROJECTS

A letter from the Secretary of Transportation, transmitting, pursuant to law, the 1976 annual report on Railroad-Highway Demonstration Projects, December 1975 (with an accompanying report); to the Committee on Public Works.

REPORT ON RAILROAD CONSOLIDATION AND RELOCATION IN URBAN AREAS

A letter from the Secretary of Transportation, transmitting, pursuant to law, a report on Railroad Consolidation and Relocation in Urban Areas, March 1976 (with an accompanying report); to the Committee on Public Works.

REPORT OF THE VETERANS' ADMINISTRATION

A letter from the Administrator, Veterans' Administration, transmitting, pursuant to law, the 1975 annual report of the Veterans' Administration (with an accompanying report); to the Committee on Veterans' Affairs.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. ABOUREZK, from the Committee on Interior and Insular Affairs, with an amendment and an amendment to the title:

S. 2981. A bill to authorize appropriations for the Indian Claims Commission for fiscal year 1977, together with minority views (Rept. No. 94-737).

By Mr. ABOUREZK, from the Committee on Interior and Insular Affairs, without amendment:

H.R. 1465. An act to provide for the division of assets between the Twenty-nine Palms Band and the Cabazon Band of Mission Indians, Calif., including certain funds in the U.S. Treasury, and for other purposes (Rept. No. 94-738).

By Mr. TUNNEY, from the Committee on Commerce without amendment:

S. 1624. A bill to promote the free flow of commerce among the several States, and for other purposes (Rept. No. 94-739).

BILL PLACED ON CALENDAR

Pursuant to the order of the Senate of February 4, 1974, the Committee on Labor and Public Welfare was discharged from the further consideration of the bill (H.R. 7108) to authorize appropriations for environmental research, development, and demonstration, and the bill was placed on the calendar.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following executive reports of committees were received:

By Mr. SPARKMAN, from the Committee on Foreign Relations:

Charles W. Robinson, of California, to be Deputy Secretary of State.

Dortch Oldham, of Tennessee; and

Beryl B. Milburn, of Texas, to be members of the U.S. Advisory Commission on International Educational and Cultural Affairs.

Maurice J. Williams, of West Virginia, Chairman of the Development Assistance Committee of the Organization for Economic Cooperation and Development at Paris, France, for the rank of Minister, while so serving.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. WILLIAMS, from the Committee on Labor and Public Welfare:

Samuel R. Martinez, of Colorado, to be Director of the Community Services Administration.

James F. Scearce, of Virginia, to be Federal Mediation and Conciliation Director.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. CHURCH (for himself, Mr. WILLIAMS, and Mr. TUNNEY):

S. 3248. A bill to amend title II of the Social Security Act to establish eligibility for husband's benefits based on having a child in care, and to provide benefits for widowed fathers with minor children. Referred to the Committee on Finance.

By Mr. DOMENICI:

S. 3249. A bill to authorize the Secretary of the Interior to amend the contract for the construction, operation, and maintenance of the Vermejo Reclamation Project between the Vermejo Conservancy District, located in the State of New Mexico, and the United States. Referred to the Committee on Interior and Insular Affairs.

S. 3250. A bill for the relief of the Vermejo Conservancy District. Referred to the Committee on the Judiciary.

By Mr. MCGOVERN (for himself and Mr. ABOUREZK):

S. 3251. A bill to authorize establishment of the Gutzon Borglum National Historic Site, S. Dak., and for other purposes. Referred to the Committee on Interior and Insular Affairs.

By Mr. LONG (for himself and Mr. JOHNSTON):

S. 3252. A bill to amend the Act authorizing the construction of the Mississippi River-Gulf outlet with respect to certain bridge construction. Referred to the Committee on Public Works.

S. 3253. A bill to amend the Red River Waterway authorization. Referred to the Committee on Public Works.

By Mr. INOUYE (for himself, Mr. MAGNUSON, Mr. BAKER, Mr. CANNON, Mr. HUGH SCOTT, Mr. MCGEE, and Mr. MOSS):

S. 3254. A bill to amend the act to encourage domestic travel in order to authorize the Secretary of Commerce to provide certain assistance to projects carrying out the purpose of such act. Referred to the Committee on Commerce.

By Mr. EASTLAND:

S. 3255. A bill for the relief of Lai-Fung Wong. Referred to the Committee on the Judiciary.

By Mr. BEALL:

S. 3256. A bill to authorize the burial of the remains of Matthew A. Henson in the Arlington National Cemetery, Va. Referred to the Committee on Veterans' Affairs.

By Mr. INOUYE:

S. 3257. A bill to require that skilled nursing homes furnishing services under the medicare and medicaid programs be adequately equipped with wheel chairs and other appropriate equipment and supplies. Referred to the Committee on Finance.

By Mr. STEVENS:

S. 3258. A bill to amend Sec. 8335(e) of title 5, United States Code. Referred to the Committee on Post Office and Civil Service.

By Mr. BUMPERS:

S. 3259. A bill to establish in the Energy Research and Development Administration an Energy Extension Service to develop, demonstrate, and analyze energy conservation opportunities, and to develop programs to encourage acceptance and adoption of energy conservation opportunities by energy con- Referred to the Committee on Interior and Insular Affairs.

By Mr. LONG:

S. 3260. A bill to amend the Intercoastal Shipping Act, 1933, by revising its suspension provisions and by authorizing periodic promulgation of rate of return guidelines. Referred to the Committee on Commerce.

S. 3261. A bill to amend the Intercoastal Shipping Act, 1933, for the purpose of assuring adequate, modern, and efficient transportation by water between the noncontiguous States, territories, and possessions of the United States, and the U.S. mainland. Referred to the Committee on Commerce.

By Mr. JAVITS (for himself and Mr. WILLIAMS):

S. 3262. A bill to amend and improve the programs authorized under the Emergency Unemployment Compensation Act of 1974, and the Emergency Jobs and Unemployment Assistance Act of 1974, to extend such programs for 1 year, and for other purposes; to the Committee on Labor and Public Welfare and the Committee on Finance, jointly, by unanimous consent.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CHURCH (for himself, Mr. WILLIAMS, and Mr. TUNNEY):

S. 3248. A bill to amend title II of the Social Security Act to establish eligibility

for husband's benefits based on having a child in care, and to provide benefits for widowed fathers with minor children. Referred to the Committee on Finance.

FATHER'S SOCIAL SECURITY BENEFITS

Mr. CHURCH. Mr. President, on behalf of myself and Senators WILLIAMS and TUNNEY, I introduce for appropriate reference a bill to provide benefits for a husband, widower, or surviving divorced husband on the same basis as for a wife, widow, or surviving divorced wife similarly situated.

Social security benefits are now payable to a retired or disabled worker's wife, or a deceased worker's widow or divorced widow, regardless of her age, provided two conditions are met:

First. She has in her care a child under 18 or over 18 and disabled; and

Second. She does not have substantial earnings from work.

Until recently, no benefits were provided for fathers in like circumstances. This, however, was changed by the historic Weinberg against Wiesenfeld decision.

The Supreme Court held that the gender-based distinction in the social security law—granting survivors' benefits on the earnings of a deceased husband and father to a widow and minor children in her care, but providing benefits on the earnings of a covered deceased widow and mother only to the minor children—violates the right to equal protection secured by the due process clause of the fifth amendment.

The Supreme Court determined that this provision unjustifiably discriminates against women wage earners by affording them less protection for their survivors than provided for men wage earners.

The Social Security Administration estimates that 15,000 widowed fathers will be affected by the Wisenfeld decision.

Legislation, however, is still necessary because the Wiesenfeld case left unsettled a number of important questions. One example, is whether benefits should continue when a surviving father with dependent children in his care remarries.

In addition, the Wiesenfeld decision applied only to widowed fathers with entitled children in their care. It did not, however, provide benefits for young husbands or surviving divorced husbands with children in their care.

Under my proposal, remarriage would terminate benefits—in the same manner that it does now for a surviving mother with dependent children in her care.

To my way of thinking, sex alone should never be a basis for difference in treatment. Benefits for widowed fathers with entitled children should be provided on the same basis as benefits are now provided for widowed mothers similarly situated.

Moreover, my proposal will provide an important step in assuring that contributions of women generate as much in benefits for their family members as the contributions of men.

My proposal, I am pleased to say, is supported by several leading authorities. The 1975 Advisory Council on Social Security, for example, recommended that "benefits be provided for fathers on the same basis as benefits are provided for mothers."

In testimony before the House Ways and Means Social Security Subcommittee on February 2, Secretary of HEW Mathews also urged that benefits should be provided for young husbands and fathers who have in their care a child under 18, or disabled, and entitled to benefits on the same basis as for wives and mothers similarly situated.

I also want to stress that this bill can be enacted into law now while the Congress examines alternatives for reducing the long-range and short-term actuarial deficit for social security. The long-range cost of this proposal is negligible because the overwhelming proportion of widowed fathers with young children will continue to work outside the home. Benefits, therefore, will not be payable to them under the earnings test.

Mr. President, I urge prompt approval of this legislation. I ask unanimous consent that the text of this bill be printed in the RECORD.

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

S. 3248

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

ELIGIBILITY FOR HUSBAND'S BENEFITS BASED ON HAVING CHILD IN CARE

SECTION 1. (a) Section 202(c)(1)(B) of the Social Security Act is amended to read as follows:

"(B) has attained age 62 or (in the case of a husband) has in his care (individually or jointly with such individual) at the time of filing such application a child entitled to a child's insurance benefit on the basis of the wages and self-employment income of such individual,".

(b) Section 202(c)(1) of such Act is further amended by inserting immediately after the first sentence the following new sentence: "In the case of a husband who has not attained age 62, entitlement to such benefits shall also end with the month preceding the first month in which no child of the insured individual is entitled to a child's insurance benefit.".

BENEFITS FOR WIDOWED FATHERS WITH MINOR CHILDREN

SEC. 2. Section 202(g) of the Social Security Act is amended to read as follows:

"Mother's and Father's Insurance Benefits

"(g)(1) The widow, widower, and every surviving divorced mother or father (as defined in section 216(d)) of an individual who died a fully or currently insured individual, if such widow, widower, or surviving divorced mother or father—

"(A) is not married,

"(B) is not entitled to a widow's or widower's insurance benefit,

"(C) is not entitled to old-age insurance benefits, or is entitled to old-age insurance benefits each of which is less than three-fourths of the primary insurance amount of such individual,

"(D) has filed application for mother's or father's insurance benefits, or was entitled to wife's or husband's insurance benefits on the basis of the wage and self-employment income of such individual for the month preceding the month in which such individual died, and

"(E) at the time of filing such application has in her or his care a child of such individual entitled to a child's insurance benefit,

shall (subject to subsection (s)) be entitled to a mother's or father's insurance benefit for each month, beginning with the first month in which she or he becomes so entitled to such insurance benefits and ending with the month preceding the first month in which any of the following occurs: no child of such deceased individual is entitled to a child's insurance benefit, or such widow, widower, or surviving divorced mother or father becomes entitled to an old-age insurance benefit equal to or exceeding three-fourths of the primary insurance amount of such deceased individual, becomes entitled to a widow's or widower's insurance benefit, remarries, or dies. Entitlement to such benefits shall also end, in the case of a surviving divorced mother or father, with the month immediately preceding the first month in which no son, daughter, or legally adopted child of such surviving divorced mother or father is entitled to a child's insurance benefit on the basis of the wages and self-employment income of such deceased individual.

"(2) Such mother's or father's insurance benefit for each month shall be equal to three-fourths of the primary insurance amount of such deceased individual.

"(3) In the case of a widow, widower, or surviving divorced mother or father who marries—

"(A) an individual entitled to benefits under this subsection or subsection (a), (b), (c), (e), (f) or (h), or under section 223(a), or

"(B) an individual who has attained the age of eighteen and is entitled to benefits under subsection (d),

the entitlement of such widow, widower, or surviving divorced mother or father to benefits under this subsection shall, notwithstanding the provisions of paragraph (1) but subject to subsection (s), not be terminated by reason of such marriage; except that, in the case of such a marriage to an individual entitled to benefits under section 223(a) or subsection (d) of this section, the preceding provisions of this paragraph shall not apply with respect to benefits for months after the last month for which such individual is entitled to such benefits under section 223(a) or subsection (d) of this section unless (i) he or she ceases to be so entitled by reason of his or her death, or (ii) in the case of an individual who was entitled to benefits under section 223(a), he or she is entitled, for the month following such last month, to benefits under subsection (a) of this section.".

MISCELLANEOUS CONFORMING AMENDMENTS

SEC. 3. (a) Section 202(b)(3)(A) of the Social Security Act is amended by striking out "(f) or (h)" and inserting in lieu thereof "(f), (g), or (h)".

(b) Section 202(e)(3)(A) of such Act is amended by striking out "(f) or (h)" and inserting in lieu thereof "(f), (g), or (h)".

(c) Section 202(f)(1)(C) of such Act is amended by inserting after the comma at the end thereof the following: "or was entitled, on the basis of such wages and self-employment income, to father's insurance benefits for the month preceding the month in which he attained age 65,".

(d) Section 202(k) of such Act is amended—

(1) by striking out "or (f)(5)" wherever it appears in paragraphs (2)(B) and (3)(B) and inserting in lieu thereof in each instance "or (f)(4)"; and

(2) by striking out "or (f)(3)" in paragraph (3)(A) and inserting in lieu thereof "or (f)(2)".

(e)(1) Section 202(p)(1) of such Act is amended by striking out "subparagraph (C) of subsection (c)(1),".

(2) Section 202(p)(1) of such Act is further amended by striking out "clause (i) or (ii) of subparagraph (D) of subsection (f)(1), or".

(f)(1)(A) Section 202(q)(3)(E) of such Act is amended, in the matter preceding clause (i) thereof, by inserting "or surviving divorced husband" immediately after "in the case of a widower".

(B) Section 202(q)(3)(F) of such Act is amended, in the matter preceding clause (i) thereof, by inserting "or surviving divorced husband" immediately after "in the case of a widower".

(C) Section 202(q)(3)(G) of such Act is amended by inserting "or surviving divorced husband" immediately after "in the case of a widower".

(2)(A) Section 202(q)(5)(A) of such Act is amended—

(i) by inserting "or husband's" immediately after "wife's" each place it appears therein,

(ii) by inserting "or by him" immediately after "by her",

(iii) by inserting "or he" immediately after "she" each place it appears therein,

(iv) by inserting "or in his" immediately after "in her", and

(v) by striking out "her wife's insurance benefit" and inserting in lieu thereof "her wife's or his husband's insurance benefit".

(B) Section 202(q)(5)(B) of such Act is amended—

(i) by striking out "woman" and inserting in lieu thereof "individual", and

(ii) by striking out "she" and inserting in lieu thereof "such individual".

(C) Section 202(q)(5)(C) of such Act is amended—

(i) by striking out "woman" and inserting in lieu thereof "individual",

(ii) by inserting "or his" after "in her her",

(iii) by inserting "or he" immediately after "she" each place it appears therein, and

(iv) by inserting "or husband's" immediately after "wife's".

(D) Section 202(q)(5)(D) of such Act is amended by inserting immediately before the period at the end thereof the following: "; and no widower's insurance benefit for a month in which he has in his care a child of his deceased wife (or deceased former wife) entitled to child's insurance benefits shall be reduced under this subsection below the amount to which he would have been entitled had he been entitled for such month to father's insurance benefits on the basis of his deceased wife's (or deceased former wife's) wages and self-employment income".

(3) Section 202(q)(A)(i)(II) of such Act is amended by inserting "or husband's" immediately after "wife's".

(4) Section 202(q)(7)(B) of such Act is amended—

(A) by inserting "or husband's" immediately after "wife's",

(B) by inserting "or he" immediately after "she", and

(C) by inserting "or his" immediately after "or her".

(g) Section 202(s) of such Act is amended—

(1) by inserting "(c)(1)," after "(b)(1)," in paragraph (1);

(2) by striking out "Subsection (f)(4), and so much of subsections (b)(3), (d)(5), (e)(3), (g)(3), and (h)(4), of this section as precedes the semicolon" in paragraph (2) and inserting in lieu thereof "Subsections (b)(3), (c)(4), (e)(3), and (f)(3), and so much of subsections (d)(5), (g)(3), and (h)(4) of this section as precedes the semicolon"; and

(3) by striking out "Subsections (c)(2)(B) and (f)(2)(B) of this section, so much of subsections (b)(3), (d)(5), (e)(3), (g)(3), and (h)(4)" in paragraph (3) and inserting in lieu thereof "So much of subsections (d)(5), (g)(3), and (h)(4)".

(h) Section 203(c)(2) of such Act is amended—

(1) by striking out "wife" and inserting in lieu thereof "wife or husband";

(2) by striking out "wife's" each place it appears and inserting in lieu thereof "wife's or husband's";

(3) by striking out "her care" and inserting in lieu thereof "her or his care"; and

(4) by striking out "her husband" each place it appears and inserting in lieu thereof "her or his spouse".

(i)(1) Section 203(c)(3) of such Act is amended to read as follows:

"(3) in which such individual, if a widow or widower entitled to a mother's or father's insurance benefit, did not have in her or his care a child of the deceased husband or wife entitled to a child's insurance benefit; or"

(2) Section 203(c)(4) of such Act is amended to read as follows:

"(4) in which such individual, if a surviving divorced mother or father entitled to a mother's or father's insurance benefit did not have in her or his care a child of her or his deceased former spouse who (A) is her or his son, daughter, or legally adopted child and (B) is entitled to a child's insurance benefit on the basis of the wages and self-employment income of her or his deceased former spouse.".

(j) The last sentence of section 203(c) of such Act is amended by inserting "or surviving divorced husband" after "the widower".

(k) The second sentence of section 205(b) of such Act is amended by inserting "surviving divorced father," after "surviving divorced mother,", by inserting "divorced husband," after "husband,", and by inserting "surviving divorced husband," after "widower,".

(l)(1) Section 216(d)(3) of such Act is amended to read as follows:

"(3) The term 'surviving divorced mother or father' means an individual divorced from a person who has died, but only if (A) such individual is the mother or father of such person's son or daughter, (B) such individual legally adopted such person's son or daughter while such individual and such person were married and while such son or daughter was under the age of 18, (C) such person legally adopted such individual's son or daughter while such individual and such person were married and while such son or daughter was under the age of 18, or (D) such individual was married to such person at the time both of them legally adopted a child under the age of 18."

(2) The heading of section 216(d) of such Act (as amended by section 2(c)(3) of this Act) is amended by inserting "Surviving Divorced Mothers and Fathers;" immediately after "Husbands;".

(m)(1) The first sentence of section 222(b)(1) of such Act is amended by striking out "or surviving divorced wife" and inserting divorced wife, or surviving divorced husband".

(2) Section 222(b)(2) of such Act is amended by inserting "or father's" after "mother's" each place it appears.

(3) Section 222(b)(3) of such Act is amended by inserting "divorced husband," immediately after "husband,".

(n) Section 222(d)(1) of such Act is amended by inserting "and surviving divorced husbands" immediately after "for widowers".

(o) Section 223(d)(2) of such Act is amended by striking out "or widower" in subparagraphs (A) and (B) and inserting in lieu thereof "widower, or surviving divorced husband".

(p) The first sentence of section 225 of such Act is amended by inserting "or surviving divorced husband" immediately after "a widower".

(q) Section 226(h)(3) of such Act is amended—

(A) by inserting "(A)" immediately after "(3)", and

(B) by adding at the end thereof the following new subparagraph:

"(B) For purposes of determining entitlement to hospital insurance benefits under subsection (b) any disabled widower age 50 or older who is entitled to father's insurance benefits (and who would have been entitled to widower's insurance benefits by reason of disability if he had filed for such widower's benefits) shall, upon application for such hospital insurance benefits, be deemed to have filed for such widower's insurance benefits and shall, upon furnishing proof of such disability within such time limits and under such procedures as the Secretary may prescribe, be deemed to have been entitled to such widower's insurance benefits as of the time he would have been entitled to such widower's benefits if he had filed a timely application therefor.".

EFFECTIVE DATE

SEC. 3. (a) The amendments made by the preceding sections of this Act shall be effective with respect to monthly insurance benefits under the Social Security Act for months after the month in which this Act is enacted based on applications therefor filed in or after the month in which this Act is enacted.

(b) Nothing in subsection (a) shall be construed to limit any right, to monthly benefits under title II of the Social Security Act, which any individual may be, or may have been, determined to have by a court of competent jurisdiction or by the Secretary of Health, Education, and Welfare on the basis of a decision by such a court.

FATHERS' SOCIAL SECURITY BENEFITS

Mr. WILLIAMS. Mr. President, earlier in this session I sponsored legislation which, if enacted, would correct several longstanding inequities in the treatment of women and their dependents under social security. Today, I am pleased to join Senator CHURCH and Senator TUNNEY in cosponsoring a measure which would be another step toward eliminating discrimination on the basis of sex in social security. This bill would provide social security benefits for a widower or surviving divorced husband on the same basis as for a widow or surviving divorced wife.

Social Security Act benefits based on the earnings of a deceased husband and father are payable, with some limitations, both to the widow and to the minor children in her care. Similar benefits were denied widowers in like circumstances until the Supreme Court in the Weinberger against Wisenfeld case held that the gender-based distinction in the Social Security Act is unconstitutional.

As a result of the Supreme Court decision, HEW issued regulations which provided deceased wife's benefits for a widower and his dependent children. However, a divorced widower's eligibility for benefits was left unresolved. No provision was made to permit payment of

deceased wife's benefits for divorced fathers, despite the fact that divorced mothers receive benefits based on the earnings of the father who dies. This legislation would permit benefits to be paid to surviving divorced fathers with minor or disabled children in his care.

Another unresolved issue is the young widowed husband's eligibility for benefits based on the deceased wife's earnings. In order for a widower to receive a benefit on the basis of his wife's earnings, it is necessary to prove that he was receiving one-half of his support from his wife when she died. S. 2860, a bill I cosponsored with Senator CHURCH, would eliminate the dependency requirements for entitlement to husbands and widowers social security benefits. The provision in the legislation being introduced today would insure that the dependence requirement is eliminated as well for a young widower with children in his care.

Lastly, this measure would clarify the eligibility of the surviving father with dependent children if he chooses to remarry. Under present law, social security benefits are terminated for a widow with children in her care if she remarries. But it is not clear whether benefits are similarly terminated for a surviving father. I believe that this provision in the law should apply equally to fathers with children who remarry. This bill, therefore, ends a surviving father's benefits in the same manner as a surviving mother.

Mr. President, I am proud that Congress continues to review the social security system with a greater eye toward social justice. Yet, despite past efforts to make the system equitable, sex discrimination under social security still exists. Times have changed drastically since social security was established, particularly the role of working women and the needs of their dependents. Accordingly, it is important that the social security laws be amended to reflect these changes in society. Working women certainly deserve the same rights and protection for their surviving dependents as working men. I am hopeful that this legislation will contribute to that objective.

By Mr. DOMENICI:

S. 3249. A bill to authorize the Secretary of the Interior to amend the contract for the construction, operation, and maintenance of the Vermejo Reclamation Project between the Vermejo Conservancy District, located in the State of New Mexico, and the United States. Referred to the Committee on Interior and Insular Affairs.

S. 3250. A bill for the relief of the Vermejo Conservancy District. Referred to the Committee on the Judiciary.

VERMEJO CONSERVANCY DISTRICT

Mr. DOMENICI. Mr. President, today I am introducing legislation designed to provide some relief to residents in the Vermejo Conservancy District in Maxwell, N. Mex. The legislation will provide a means for the conservancy district to cancel its remaining construction obligations.

The Vermejo Project was authorized by the act of September 27, 1950 (64 stat. 1072), as amended. In accordance with section 3 of that act, the President approved the project on June 22, 1951. The Bureau of Reclamation program was initiated in 1953 and completed in 1955. The project works were designed to serve 7,379 irrigable acres in the Vermejo Conservancy District. Water for the project is derived from the Vermejo River and Chico Rico Creek watersheds. Runoff from the Vermejo River watershed can serve about 60 percent of the land.

There are some major deficiencies in the project and these include, water shortages and inability to divert, store and distribute the available waters efficiently. The water for this project is diverted from the two watersheds through long supply canals and the sediment load carried in both watersheds is high. The district spends most of its operation and maintenance budget for silt removal. The Bureau indicates that upstream developments and climatic conditions have reduced the project's overall average water supply to about 50 percent of the long-range expectations shown in the plan report.

Unfortunately, for the Vermejo Conservancy District, the supply has been much less than 50 percent. In 1974, an estimated total farm delivery of only 1,770 acre-feet was made compared to the normal full-supply requirement of about 20,000 acre-feet. Of that total, nearly all was used on 1,100 acres, and essentially no water was distributed to the remaining 6,279 acres in the project.

The Vermejo watershed derives its water largely from snowmelt and has produced virtually no significant amount of project water during the past four irrigation seasons. The Chico Rico Creek watershed derives its water largely from rainfall and has produced the major supply of water for the project during the past years. However, the supply of water has been inadequate for optimum crop production.

About the only solution to the water supply problem would involve construction of sediment-detention structures and water storage and diversion facilities on both the Vermejo River and Chico Rico Creek. However, this would require millions of dollars and cannot be justified from the standpoint of economics. In addition, the district does not have the repayment capacity.

The Bureau of Reclamation has concluded that the long-term outlook for an adequate supply of water will continue to be limited, particularly from the Vermejo River watershed. The extremely poor economic conditions brought on because of the water shortage have restricted the Vermejo Conservancy District's ability to repay its construction obligation in the past and it appears likely that these conditions will continue and may even worsen.

Mr. President, it appears that the only solution to this problem is for the Congress to enact legislation to cancel the remaining repayment obligation. It is my hope that the appropriate committee will act on this legislation as soon as possible so that the people in Maxwell will no longer be burdened with this debt.

Mr. President, I ask unanimous consent that a letter from the Bureau of Reclamation which describes the situation be printed in the RECORD.

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

BUREAU OF RECLAMATION,
Washington, D.C., January 8, 1976.

Hon. PETE V. DOMENICI,
U.S. Senate, Washington, D.C.

DEAR SENATOR DOMENICI: This is in reply to your letter of November 28, 1975, concerning problems of the Vermejo Conservancy District at Maxwell, New Mexico, as expressed by Mr. Durward Sims, president of the board of directors, in his November 19, 1975, letter to you.

The water supply for the 7,379-acre project has been declining, as indicated by end-of-month storage records for the three storage reservoirs on the project, and reflects the known drought conditions of the watershed.

The district officials feel that the numerous water detention, stockwater, and fishpond structures, which have been constructed during the last 20 years or subsequent to the water supply studies associated with authorization of the project, are the primary causes of the water shortage. That assumption seems to be confirmed by the long-term streamflow records near Dawson, New Mexico, which is the only stream-gaging station in the vicinity. Records at that station, which measures about 88 percent of the Vermejo watershed, have indicated a declining trend in the total runoff, except in years of major floods. The Vermejo watershed derives its water largely from snowmelt and has produced virtually no significant amount of project water during the irrigation season in the past 4 years. The other watershed, the Chicorica Creek, derives its water largely from rainfall, and high runoff has produced the major supply of water for the project during the past years. However, that supply has been inadequate for optimum crop production.

A contributing factor to the shortage of water is the poor condition of the diversion dams and supply canals which often become clogged with debris and silt so that much of the available runoff to which the district is entitled cannot be diverted. This also results in high operation and maintenance costs.

The first irrigation facilities in the Vermejo Conservancy District were constructed in the 1890's by private interests. Works provided under the Bureau of Reclamation's program were largely for rehabilitation and betterment (R&B) of the existing project facilities. The Reclamation program was completed in 1955, and payment of the $2,107,943 R&B obligation began in 1966 after a 10-year development period. Contract payments are determined under a variable repayment formula, and project payout is estimated to require about 73 years. This would result in an average annual payment of about $28,900 or $3.92 per irrigable acre.

The district had some relief during the first 8 years of payments. About $0.30 per acre or $2,213.70 per year was allowed for the years 1966 through 1968 and $0.50 per acre or $3,690 per year for the years 1969 through 1973. The 1974 payment of $12,688 was made on schedule. Upon receipt of the 1975 repayment notice, which was determined to be $16,842, the district requested

a deferment of all but $5,000 of this sum. However, we informed the district that another annual deferment was not considered to be an interim solution to the real problem and that, under the Act of September 21, 1959 (73 Stat. 584), a permanent resolution of the problem by contract would require congressional approval. We offered to work with the district officials in an effort to resolve the situation. The district paid only one-half of its requested $5,000 payment by the due date of February 1, 1975, and the other one-half by August 1, 1975. The remaining $11,842 is now delinquent, $5,921 since February 1, 1975, and $11,842 since August 1, 1975.

It is evident that the long-term outlook for an adequate supply of water will continue to be poor, particularly from the Vermejo River watershed. The expenditures necessary to modernize the irrigation system are difficult to justify from the standpoint of economics.

We have concluded that the Vermejo Conservancy District does not have the ability to repay its construction costs associated with the Vermejo Project. Legislative measures would be required to cancel the district's remaining repayment obligation.

Sincerely yours,

G. G. STAMM,
Commissioner.

By Mr. McGOVERN (for himself and Mr. ABOUREZK):

S. 3251. A bill to authorize establishment of the Gutzon Borglum National Historic Site, South Dakota, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

THE GUTZON BORGLUM NATIONAL HISTORIC SITE ACT

Mr. McGOVERN. Mr. President, in 1925 the Mt. Rushmore National Memorial, first called the Mount Harney Memorial, was begun in the rugged and beautiful Black Hills of South Dakota. Started as a private enterprise, it soon became apparent that Federal assistance would have to be provided if the monument, as conceived by its sculptor, Gutzon Borglum, was to be completed.

Through a succession of appropriations the four great heads of Presidents Washington, Jefferson, Theodore Roosevelt and Lincoln were carved in stone for generations yet to come. They are today a source of inspiration for all Americans marking as they do the pride in our past which provides the foundation for the future.

It is well to note, in the context of our Bicentennial, the specific quotations that are carved at the Rushmore Memorial for the men we honor:

From George Washington's First Inaugural Address of April 1789:

. . . the preservation of the sacred fire of liberty and the destiny of the Republican model of government, are justly considered as deeply, perhaps as finally staked, on the experiment entrusted to the hands of the American people.

From Thomas Jefferson's Declaration of Independence on—July 4, 1776:

. . . We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among are Life, Liberty and the pursuit of Happiness.

From Theodore Roosevelt's address at Carnegie Hall in New York City on March 30, 1912:

. . . We, here in America, hold in our hands the hopes of the world, the fate of the coming years; and 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 men.

And from Abraham Lincoln's second Inaugural Address on March 4, 1875:

With malice toward none, with charity for all, with firmness in the right as God gives us to see the right, let us strive on to finish the work we are in . . .

Even as we note the inspiring words of these great Americans whose visages are preserved for all time on this great stone mountain in South Dakota, so, too, should we turn our attention to the preservation of the studio and artifacts of the sculptor who made this possible, Gutzon Borglum.

Located just to the east of the Black Hills National Forest, the Gutzon Borglum Ranch and Studio captures the creative atmosphere in which this great American transformed the spirit of America into works of art.

Certainly it is fitting that in this Bicentennial Year we, as a people, preserve the memory of a man whose sacrifice, dedication and selfless devotion to a dream has allowed us to stand in the presence of these figures from the past, to gain, each in his own way, personal inspiration for the future.

Mr. President, I am pleased to introduce, along with my good friend, Senator ABOUREZK, "The Gutzon Borglum National Historic Site Act." This bill provides, through a cooperative arrangement with the State of South Dakota, a portion of the money needed to purchase and preserve these irreplaceable studio and artifacts.

I ask unanimous consent that this bill be printed in the RECORD.

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

S. 3251

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Gutzon Borglum National Historic Site Act."

SEC. 2. That, in order to preserve in public ownership historically significant properties associated with the life and cultural achievements of Gutzon Borglum, the Secretary of Interior is authorized to contract with the State of South Dakota for the purpose of purchasing those properties and structures together with any works of art, furnishings, reproductions within the structures and on the memorial grounds deemed by the Secretary as necessary for the purposes of this Act.

SEC. 3. Under the provisions of this Act, the Borglum Ranch and Studio shall be defined as that property which is described by title caption as: Tract Borglum portion of North Half of the Southwest Quarter, (N½SW¼) of Section Sixteen (16), Township Three South, Range Seven East (T3S-R7E) of the Black Hills Meridian in Custer County, South Dakota, and Tract A in Southeast Quarter of the Southeast Quarter of the Northwest Quarter (SE¼SE¼NW¼) of Section Sixteen (16) Township Three South, Range Seven East (T3S-R7E) of the Black Hills Meridian in Custer County, South Dakota.

SEC. 4. The purchase of this property shall be accomplished through participation of Department of Interior and the State of South Dakota by means of a matching grant program. The Federal portion of this grant shall be fifty-two percent (52%) and shall not exceed $300,000. The State of South Dakota shall be responsible for the procurement of the remainder of the funds required for purchase of this property and any future purchases.

SEC. 5. The State of South Dakota, through the Office of Cultural Preservation, shall administer, protect, develop, and maintain the Gutzon Borglum National Historic Site with the advice and consent of the Gutzon Borglum Memorial Committee, organized for the purpose of preserving this site.

SEC. 6. (a) There is hereby established a Gutzon Borglum Memorial Committee (hereafter in this section referred to as the "Committee.")

(b) The Committee shall be composed of sixteen (16) members appointed by the Governor for terms of three years each, as follows: (1) Two members to be appointed from the recommendations submitted by the Secretary to represent the interests of the Interior Department; (2) Two members to be appointed from recommendations submitted by the Chief of the Forest Service; (3) The Secretary of the Office of Cultural Preservation or his designate; (4) The Secretary of the Department of Economic and Tourism Development or his designate; (5) Ten members from recommendations by the Office of Cultural Preservation who have demonstrated active interest in preserving for posterity this important site.

(c) Any vacancy in the Committee shall be filled in the same manner in which the original appointment was made.

(d) The Chairmanship of the Committee shall be determined by affirmative vote of a majority of the members thereof.

(e) Members of the Committee shall serve without compensation, as such, but the Secretary is authorized to pay, upon vouchers signed by the Chairman, the expenses reasonably incurred by representatives of the Federal Government in carrying out their responsibilities under this Act.

(f) The Committee shall meet as the circumstances require and consult with the State of South Daokta on general policies and specific matters related to the administration of the historic site.

(g) The Committee shall act and advise by affirmative vote of a majority of the members thereof.

SEC. 7. The Secretary and the Committee shall take into account comprehensive local or State development, land use, or recreational plans affecting or relating to areas in the vicinity of the site, and shall, wherever practicable, consistent with the purposes of this Act, exercise the authority granted by this Act in a manner which will not conflict with such local or State plans.

SEC. 8. When the sites, structures, and other properties authorized for acquisition under the third section of this Act have been transferred to the State of South Dakota, the Secretary of the Interior shall establish the Gutzon Borglum National Historic Site by publication of notice thereof in the Federal Register.

SEC. 9. In order that the Gutzon Borglum National Historic Site may achieve more effectively its purpose as a living memorial, the Secretary of the Interior is authorized to cooperate with the South Dakota Office of Cultural Preservation and the Gutzon Borglum Memorial Committee and other

organizations in the presentation of art expositions and festivals and other appropriate events that are traditional to the site.

By Mr. LONG (for himself and Mr. JOHNSTON):

S. 3252. A bill to amend the act authorizing the construction of the Mississippi River-Gulf outlet with respect to certain bridge construction. Referred to the Committee on Public Works.

Mr. LONG. Mr. President, Public Law 455 of the 84th Congress, 2d session, authorized construction of the Mississippi River-gulf outlet, a 70-mile tidewater channel designed to provide an alternate route for ocean-going vessels calling at the Port of New Orleans. As constructed, the channel extends from the industrial canal in New Orleans to the open waters of the Gulf of Mexico in the vicinity of Breton Sound.

The details regarding this project are set forth in the report of the U.S. Chief of Engineers, dated May 5, 1948, contained in House Document No. 245, 82d Congress, 1st session.

At its upper reaches, from approximately Paris Road to its junction with the industrial canal, the channel also serves as part of the Gulf Intracoastal Waterway, which extends from Florida to Mexico.

The industrial canal which extends from Lake Pontchartrain to the Mississippi River, with a lock at the river end, is not a Federal project. It was constructed by and entirely with funds of the board of commissioners of the Port of New Orleans, an agency of the State of Louisiana, commonly known as the dock board, which administers the public wharves and landings of the Port of New Orleans, and which is also the local assuring agency for the Mississippi River-Gulf outlet.

To accommodate the Gulf Intracoastal Waterway and as a saving of Federal funds, the dock board has leased to the United States the right to use that portion of the industrial canal which extends from the Mississippi River-gulf outlet to the river and also the lock located at the juncture with the Mississippi River.

I might observe that none of the bridges across this portion of the canal have been federally funded, as would have been the case had the United States been required to construct a new channel for the Gulf Intracoastal Waterway.

The industrial canal, which was constructed in 1918 and is also designed to accommodate ocean-going traffic, is now lined with wharves and industries, both public and private, and the dock board and others have also made substantial port-oriented investments along the north bank of the Mississippi River-gulf outlet.

In fact, the tidewater region served by the confluences of the Mississippi River-Gulf outlet, the industrial canal and the Gulf Intracoastal Waterway has been dubbed "Centroport" by the dock board and figures most prominently in that board's short- and long-range plans for port development.

As noted, the only connection between the Gulf Intracoastal Waterway, the Mississippi River-gulf outlet system, and the Mississippi River itself, is the now antiquated lock that was built by the dock board in 1923.

Because of the extraordinary volume of traffic, that lock is and has been for many years a source of extensive delays of up to 80 hours to both oceangoing and coastal traffic, at enormous expense to those industries and at great inconvenience and expense to their customers.

For this reason and also because of its limited size and its inadequate sill depth, that lock is and has been a marked deterrent to development in the Centroport area and the growth of commerce both in the area and on the Gulf Intracoastal Waterway.

The Congress, through Public Law 455 and its adoption of House Document 245, took note of this then developing problem in providing:

> That when economically justified by obsolescence of the existing industrial canal lock, or by increased traffic, replacement of the existing lock or an additional lock with suitable connections is hereby approved.

As a result of studies conducted at the district and division engineer levels and now awaiting final approval, the Corps of Engineers has determined that the conditions described have now become so acute as to warrant construction of the new lock and connecting channel approved in Public Law 455, and is proposing that the new connection between the Mississippi River-gulf outlet and the Mississippi River be made at or in the vicinity of Meraux, in St. Bernard Parish, below New Orleans.

This proposed connecting channel would also provide a connection with the Gulf Intracoastal Waterway and would thus serve as and provide a link in the latter system that has not heretofore been provided by the Congress at Federal expense.

The construction of the new lock and channel would require severance of the State highway and a branch line of the Southern Railway. However, some confusion exists regarding the meaning of certain language contained in House Document No. 245 regarding responsibility for the bridges that must be constructed if these transportation arteries are severed.

It is the purpose of the bill that I am introducing today with Senator JOHNSTON to clarify the language of Public Law 455 so as to make it clear that the financing of those constructions is indeed a Federal responsibility.

In House Document No. 245, it was stipulated that a federally funded bridge across the Mississippi River-gulf outlet would be constructed at Paris Road and that local interests would provide and maintain "any other bridges required over the waterway."

However, it is my contention and that of local interests that this language was only intended to apply to the Mississippi River-gulf outlet itself and to restoration of the only major artery that was being severed by that project, and not to the then as yet specifically authorized connecting channel or to the effects that the latter would have upon any arteries of transportation.

It is well known and can be adequately documented that for federally funded intracoastal or other waterway projects, restoration of existing arteries of transportation has been a Federal responsibility and has been paid for with Federal funds.

The recognized normal assignment of costs between Federal and local interests provides that when a Federal waterway severs existing land routes the consequently required bridges are a Federal responsibility.

To interpret Public Law 455 in any other manner would present an unjustified exception to well-established practice.

Equity also dictates that the Congress recognize this Federal responsibility, inasmuch as 80 percent of the shallow draft tonnage presently using the obsolete lock is involved in the Nation's commerce, rather than that of Louisiana.

As noted, the new lock and channel will close a gap in the Federal Intracoastal Waterway system and should be funded by the Federal Government as in the case of other segments of that system. Local interests should not be called upon to bear the heavy expense of restoring transportation arteries that are interrupted by an essentially Federal project.

Accordingly, I urge adoption of the measure I am introducing together with my colleague Senator JOHNSTON, which would amend Public Law 455 of the 84th Congress to provide that the required bridges over the new land cut be federally funded.

By Mr. LONG (for himself and Mr. JOHNSTON):

S. 3253. A bill to amend the Red River Waterway authorization. Referred to the Committee on Public Works.

Mr. LONG. Mr. President, the Red River Waterway Commission was created by the Louisiana Legislature to serve as the State agency to provide local requirements and assurances to the U.S. Army Corps of Engineers for the Federal navigation project "Red River Waterway, Louisiana, Arkansas, Oklahoma and Texas."

This Red River Waterway project was authorized by the River and Harbor Act of 1968. It is the only remaining major river in the United States which does not have the benefits of a dependable navigation channel.

The Red River Waterway Commission is deeply concerned about its financial capability to fulfill the rapidly increasing costs of providing local requirements and assurances. They are experiencing tremendous cost increases for rights-of-way, utilities, pipelines, and other relocation items.

The Corps of Engineers original survey report in 1968 showed the local interest costs for real estate alone for the

Red River Waterway from the Mississippi River to Shreveport, La., to be $5,401,000. A realistic estimate based on present day acquisition costs is $18 million.

In addition, similar increased costs for utilities, pipelines, and other relocation costs, which are a responsibility of the Red River Waterway Commission also, can be expected.

Included as an item of local interest assurances is the requirement that the Red River Waterway Commission provide necessary retaining dikes, bulkheads and embankments, or the cost of such retaining works for the disposal of dredged material.

This requirement must be changed to permit Federal payment for retaining dikes. Such procedure is strongly supported by the fact that the spoil retaining dikes are made necessary through Federal requirements to protect the environment and are a construction, not a right-of-way, requirement for the navigation project.

The Red River Waterway Commission is not a construction agency, and therefore will be faced with another large expense if required to provide for the retaining dikes. This should truly be a part of the Federal construction cost for the project.

The requirement that local interests provide retaining dikes or the costs thereof is not consistent with Federal policy on other navigation projects in Louisiana.

The Bayou Barataria project authorized July 3, 1958, the Bayou Lafourche-Lafourche Jump project authorized July 14, 1962, the Gulf Intracoastal Waterway authorized October 23, 1962, and the Mississippi River-Gulf outlet project authorized October 23, 1962, all had requirements for retaining dikes and bulkheads which were built at Federal expense.

Another significant navigation project in Louisiana is the Atchafalaya River and Bayous Chene, Boeuf, and Black, authorized August 13, 1968. This project has been amended by Public Law 93-251, section 58 of the 1974 Water Resources Development Act which specifies that Federal interests shall contribute 75 percent of the costs of areas required for initial and subsequent disposal of spoil, and of necessary retaining dikes, bulkheads, and embankments therefor.

Three other highly important navigation projects in the State of Louisiana authorized by the River and Harbor Act of 1960 are the Calcasieu River and Pass, Freshwater Bayou and Vicinity, and the Ouachita and Black Rivers projects. All three of these navigation projects as authorized by Congress did not require local interests to provide spoil retaining dikes, bulkheads, or the costs thereof.

I also wish to point out that the intent of Congress was evident in that the predecessor project—Red River Lateral Canal authorized in 1946 as a modification of Red River below Fulton—to the Red River Waterway had no requirement of local costs for providing retaining works. The costs of all spoil dikes and bulkheads where required were to be borne by the Federal Government as a part of the construction costs.

The design of retaining dikes for the Red River Waterway is dictated by Federal environmental regulations which stipulate that dredged effluent must be returned to the main channel with a certain water quality.

To accomplish this, retaining dikes are necessary and are to be built at variable distances from the navigation channel to create large ponding areas to settle out fine particles of earth from the dredged effluent so that the water returned into the river channel will contain as little sand, silt, and turbidity as possible.

These dikes do not enhance the value of the spoil disposal area, nor does their construction reduce the amount of spoil disposal area required.

These procedures and arrangements are designed to protect the environment according to Federal criteria.

Such procedure is not a necessary requirement for the navigation project to be constructed, but rather a Federal requirement through laws such as section 404 of the Federal Water Pollution Control Act Amendments of 1972.

This brief review of major navigation projects in the State of Louisiana presents an accounting of congressional and Federal policy which is conclusively consistent in the fact that local interests have been required to construct spoil dikes or pay the costs thereof.

Certainly, this policy should be continued since local interests and individual property owners will not benefit from the spoil dikes and bulkheads through enhancement of local properties. Rather, these are clearly requirements of Federal environmental regulations.

Also, the Red River Waterway Commission should be relieved of this overburden of costs since their financial capability is limited and in view of rapidly increasing costs for rights-of-way and relocations.

Therefore, I strongly urge that an amendment to the River and Harbor Act of 1968 be included in the omnibus bill, to provide relief to local interests—the Red River Waterway Commission—from having to bear the cost of providing retaining dikes, bulkheads, and so forth.

The measure I am introducing today with my colleague Senator JOHNSTON is patterned after language contained in Public Law 93-251, section 58 of the 1974 Water Resources Act as directed to the Project Atchafalaya River-Bayous Chene, Boeuf and Black. Section 58 specifies that:

> Non-Federal interests shall contribute 25 per centum of the costs of areas required for initial and subsequent disposal of spoil, and of necessary retaining dikes, bulkheads and embankments therefor.

The Red River Waterway Commission would be willing to assume this burden of 25 percent of the costs as a pledge of full and faithful local support and a demonstration of willingness to accept more than the real local share so that the project can be constructed and completed at the earliest possible time.

Accordingly, I urge adoption of this measure, which I am introducing today with my colleague Senator JOHNSTON.

By Mr. INOUYE (for himself, Mr. MAGNUSON, Mr. BAKER, Mr. CANNON, Mr. HUGH SCOTT, Mr. MCGEE, and Mr. MOSS):

S. 3254. A bill to amend the act to encourage domestic travel in order to authorize the Secretary of Commerce to provide certain assistance to projects carrying out the purpose of such act. Referred to the Committee on Commerce.

Mr. INOUYE. Mr. President, the most recent statistics from the U.S. Travel Data Center indicate that tourism expenditures in the United States exceed $70 billion annually. According to the U.S. Travel Service, over 5 million jobs are sustained by these expenditures. It is not surprising, therefore, that in 46 of our 50 States tourism is among the top three industries.

Conservative estimates place the cost/benefit ratio at 10 to 1 for Federal dollars spent promoting tourism to and within the United States. In spite of the soundness of this investment and the importance of tourism to our national economy, the Federal Government has been reluctant to give tourism the support it warrants. Our efforts lag far behind those of almost every economically developed country in the Western World.

Attempts which have been made for the Government to recognize tourism's national importance and to support it accordingly have initiated in the U.S. Senate.

The International Travel Act of 1961, which created the U.S. Travel Service, committed the Government to a policy of promoting the United States as an international travel destination originated in the Senate.

Likewise, the major amendments to that act in 1970 had their genesis here. Among other things, those amendments authorized the U.S. Travel Service to grant matching funds to States, cities, and nonprofit organizations for projects promoting international travel to the United States; elevated the position of Director of the U.S. Travel Service to that of an Assistant Secretary of Commerce for Tourism; increased the budget authorization of the Travel Service; and created the National Tourism Resources Review Commission to study the tourism needs and resources of the United States.

During the 1973-74 energy crisis when the policies and proposals of the then Federal Energy Office threatened substantial segments of the tourism industry with financial ruin, the Commerce Committee held extensive hearings, and the Senate unanimously agreed to the resolution which the committee recommended—Senate Resolution 281, 93d Congress, 2d session—as a consequence. That resolution expressed the sense of the Senate that in any allocation of energy supplies or other Federal action to alleviate the energy crisis proper consideration should be given to the provision of adequate supplies of energy to all segments of the tourism industry in view

of its national economic and social importance.

Shortly thereafter, on October 10, 1974, the Senate unanimously agreed to Senate Resolution 347. That resolution, which was cosponsored by 71 Senators, authorized the Senate Commerce Committee to conduct a study and investigation which will enable it to recommend a national tourism policy to the Congress. That study has, of course, been underway since last December.

More recently, as a result of legislation which again originated in the Senate (S. 2003, 94th Cong., 1st sess.), funds have been authorized for the U.S. Travel Service to promote domestic tourism. Its efforts may not compete with those of cities, States, or private agencies, however.

As I indicated earlier, the Travel Service is authorized to grant matching funds to cities, States, and nonprofit organizations for projects promoting international travel to the United States; and the Travel Service may supply no more than 50 percent of the cost of such a project.

I believe the success and popularity of this program is indicated by the fact that over $1 million in requests for matching grant projects were submitted to the Travel Service last year.

Recently, in response to an inquiry from the committee, the Acting General Counsel of the Department of Commerce gave his legal opinion that additional legislation was necessary if the Travel Service were to have authority to grant matching funds to cities, States, and nonprofit organizations for projects to promote domestic travel, that is, travel within the United States, as opposed to travel to the United States from abroad.

Inasmuch as the great bulk of tourism volume and expenditures is by far domestic, I believe it is only sound economic sense to give the U.S. Travel Service the authority to institute a matching grants programs for domestic travel promotion projects.

Moreover, since domestic tourism is substantially greater than international tourism, the limited promotional funds available to the majority of cities, States, and nonprofit organizations must be used to promote tourism from adjacent regions and States, because those are the markets.

A matching grant program for domestic travel promotion projects would therefore have more relevance to these entities and permit broader based participation by them.

Accordingly, with Senators MAGNUSON, BAKER, CANNON, MCGEE, HUGH SCOTT and MOSS, I am introducing legislation which will give the U.S. Travel Service authority to make matching grants for domestic travel promotion projects. In all respects the legislation will be identical to existing law regarding matching grants for international travel promotion, except that it is also subject to the express provision in existing law that the Travel Service's activities shall not compete with the activities of any State, city, or private agency.

In view of your past support and interest in tourism, expressed by the Members of this body, the cosponsors and I would be pleased to have them join us as cosponsors of the proposal which I now send to the desk.

By Mr. BEALL:

S. 3256. A bill to authorize the burial of the remains of Matthew A. Henson in the Arlington National Cemetery, Va. Referred to the Committee on Veterans' Affairs.

BURIAL OF MATTHEW A. HENSON IN ARLINGTON NATIONAL CEMETARY

Mr. BEALL. Mr. President, today marks the 67th anniversary of the discovery of the North Pole by Adm. Robert Peary and Matthew A. Henson. The legislation I am introducing today would permit the remains of Matthew A. Henson to be interred in the Arlington National Cemetery in Virginia.

Matthew Alexander Henson was both a close friend and trusted associate to Admiral Peary during their historic trip to the North Pole. A courageous son of Maryland, Matthew Henson worked hard to overcome the limitations of his childhood and became the first person to locate and stand on top of the world. His dedication to the United States and his loyalty to Admiral Peary earned him the respect and admiration of the other members of the polar expedition. On November 18, 1961, former Maryland Governor, His Excellency J. Millard Tawes, dedicated a plaque in the Statehouse which reads:

Matthew Alexander Henson, Co-Discoverer of the North Pole with Admiral Robert Edwin Peary, April 6, 1909. Born August 8, 1866, died March 9, 1955. Son of Maryland, exemplification of courage, fortitude and patriotism, whose valiant deeds of noble devotion under the command of Admiral Robert Edwin Peary in pioneer Arctic exploration and discovery, established everlasting prestige and glory for his State and country.

Mr. President, it was Matt Henson's dying wish that he be buried near his friend and leader, Admiral Peary. Among the numerous honors received by this valiant Marylander were a Congressional Medal, a citation from the Department of Defense, and a commendation from President Dwight D. Eisenhower.

In light of Matt Henson's achievements and his dedication to the service of his country, I think it is appropriate for us to authorize the transfer of his remains to Arlington National Cemetery even though he did not serve in the Armed Forces of the United States.

Mr. President, I ask unanimous consent that a biographical sketch of Matthew Henson be printed in the RECORD together with articles entitled "Peary's Aide on Polar Dash Says Once Is Enough for Him" and "Matthew A. Henson Dies, Went to Pole With Peary."

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

MATTHEW HENSON MEMORIAL

This memorial tablet, unveiled and dedicated November 18, 1961, is located in the State House, Annapolis, Maryland, in the section which formerly (November 26, 1783, to August 13, 1784) was the Capitol of the United States of America.

MATTHEW (MATT) ALEXANDER HENSON

Matthew (Matt) Alexander Henson was born August 8, 1866, on a farm, the site of a former slave market, in Nanjemoy, Charles County, Maryland. Henson, the man destined to become the first person to locate and stand on the Top of the World, was born in virtual obscurity. Little is known of his early boyhood. Around the age of eleven, he ran away from Nanjemoy one night and walked to Washington, D.C. There, he divided his time between working in a restaurant operated by his aunt, Mrs. Janey Moore, and attending irregularly, the N Street Elementary School.

Henson left Washington at the age of thirteen, walked to Baltimore, Maryland, and located around the waterfront. Soon thereafter, as one without a home, he shipped as a cabin boy on a schooner under the command of a Captain Childs. This skipper taught him the rudiments of simple mathematics and navigation. The voyage carried him to China and return.

Returning to Washington, he found employment as a porter in a hat shop on Pennsylvania Avenue. One day, the then Lt. Robert E. Peary visited this store. He observed Matt Henson at work and became impressed with him. Matt was invited by Lt. Peary to join him on a canal surveying expedition to Nicaragua. Henson accepted.

When this mission was completed, Peary became interested in heading an expedition in search of the North Pole, which at that time, was the intensive objective of many nations. Henson accompanied Peary on each of his seven expeditions into the Arctic and Polar regions.

Matt saved Peary's life when he was attacked by an infuriated musk ox, and also on one occasion rescued him from starvation. He was chosen by Peary to be a member of the party of six to make the final dash to the Pole. Peary paid him this compliment—"He is my most valuable companion. I could not get along without him."

Overcome with exhaustion and crippled by the loss of most of his toes by frostbite, Peary sent Henson forward to make final observations and calculations, and await his arrival. Forty-five minutes later, Peary, driven up on his sled by four Eskimos, joined Henson. Peary's check confirmed the discovery of the North Pole.

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90 N. LAT., NORTH POLE,
April 6, 1909.

Arrived here today, 27 marches from Cape Columbia.

I have with me 5 men: Matthew Henson, colored; Ootah, Eginwah, Seegloo and Ookeah, Eskimos; 5 sledges and 38 dogs.

The expedition under my command has succeeded in reaching the Pole . . . for the honor and prestige of the United States of America.

ROBERT E. PEARY,
U.S. Navy.

FROM LOG BOOK OF ADMIRAL PEARY

"This scene my eyes will never see again. Plant the Stars and Stripes over there, Matt, . . . At the North Pole."—Peary.

Aside from Peary, the leader of the expedition, Henson has been given most of the credit for the success of the discovery of the North Pole. This is because of his courage and daring, ability to withstand the most rigorous climate and exposure, mastery of the Eskimo language and their admiration of him, his skill in sled building, driving and igloo construction. These credits were accorded him by all the surviving members of the polar expeditions.

In recognition of his contributions, Mr. Henson was awarded the Master of Science degree by Morgan State College, and Howard University, a Congressional Medal, Life Membership in the Explorers Club, a medal from

the Chicago Geographical Society, a citation by the U.S. Department of Defense, a commendation from President Dwight D. Eisenhower, at the White House, numerous medals and plaques from civic organizations.

On August 12, 1956, a memorial tribute to him was dropped on the North Pole from a U.S. Air Force plane by Afro-American Arctic Correspondent, Herbert M. Frisby, the author of this biographical sketch.

There is Henson Bay, in northwest Arctic Canada, named as a tribute to him.

Mr. Henson died March 9, 1955, in New York City. He is survived by Mrs. Lucy J. Henson, his widow.

Since his passing, he has been memorialized by His Excellency, J. Millard Tawes, Governor of Maryland, proclaimed April 6, 1959, the 50th Anniversary of the Discovery of the North Pole, as Matthew Alexander Henson Day in the State of Maryland.

By action of the Maryland General Assemblies in 1959 and 1961, provisions were made for the establishment of permanent memorials to Mr. Henson, one to be placed in the State House at Annapolis, and a small replica of the same on the campus of the Pomonkey High School, Charles County, both in Maryland.

(H. M. F.)

For further details see:

Henson, Matthew A.: *A Negro Explorer at the North Pole* (1912).

Life Magazine: *Discovery of the North Pole* (May 12, 1951).

MacMillan, Admiral Donald B.: *Matthew Henson*; Explorers Magazine, Fall 1955.

Peary, Admiral Robert E.: *The North Pole* (1910) (Contains 13 references).

Robinson, Bradley: *Dark Companion* (1947).

Frisby, Herbert M.: *Matt Henson Helped Discover North Pole*, Afro-American Newspapers, April 15, 1952.

From the collection of Herbert M. Frisby, 3403 Bateman Ave., Baltimore 16, Maryland.

[From the Washington Post, Apr. 7, 1954]

PEARY'S AIDE ON POLAR DASH SAYS ONCE IS ENOUGH FOR HIM

Another trip to the North Pole is absolutely the last undertaking that Matthew A. Henson would care to repeat in this world.

Forty-five years ago yesterday, Henson pushed to the top of the ice-capped world with Rear Adm. Richard E. Peary and four Eskimos. The party was the first and last to reach the Pole on foot. Henson, 87, a Maryland-born Negro, is the only living survivor.

"Again? No, I've had enough," said Henson, who once remarked that a man who would go to the Pole for a pleasure trip would go to hell for pastime. "Nineteen years in the Arctic is enough for any man."

In the memory of the historic expedition, Henson and his wife came down from New York yesterday to visit President Eisenhower at the White House. They were accompanied by representatives of the National-Newspaper Publishers Association, which presented the President with a plaque for his championship of integration in the armed services and nonsegregation in Washington.

But it was primarily Henson's day. After the White House visit, he placed a wreath at Peary's grave in Arlington Cemetery, then dined at the Capitol.

Henson said his most vivid memory of the exploration was the lonely hour when the full party turned back 133 miles from the Pole. Peary decided to fight on with his aide—Henson—and the Eskimos.

"Peary said we'd reached the do-or-die part," Henson recalled. "And really, you didn't know whether you'd get back or not. It was the unknown. I decided to take a chance. Of course, I went up there to stick with him."

The naval officer and Henson took the lead alternately, each with two Eskimos and a dog team. They raced across the icy, windlashed wastes, fighting the danger of rising temperatures. It was on April 6, 1909, when Peary took a memorable bearing and announced, in a trembling voice, "Eighty-nine degrees, 57 minutes. The Pole at last!"

The great explorer's aide was born in Charles County, Md., on August 8, 1866. As a boy, he came to Washington and attended the "N Street School" for six years. He moved to Baltimore and shipped out to China as a cabin boy at the age of 12.

Nine years later, he joined Peary as a seaman on an expedition to survey a canal across Nicaragua. Then they turned north for almost two decades of Arctic exploration.

Henson became an expert Northsman. Peary once wrote, "He can handle a sledge better, and is probably a better dog driver, than any man living, except some of the best of the Eskimo hunters themselves."

But the life Henson chose was mostly hardship, with little glory. In his twilight years, he remembers the cold, the sickness, the hunger and the "wind that cut you to pieces."

On one trip, the party ate 34 of its 35 dogs.

Glory came late. In 1914, he finally was appointed to the Customs Service and retired on a small pension in 1936. In 1945, 35 years after the polar discovery, Henson received his first real recognition—a special medal awarded by Congress.

A fragment of a flag which Peary cached at Cape Columbia during a 1906 expedition now hangs in the home of Peary's white-haired, 90-year-old widow. She has lived on a cove near Portland, Me., since Peary died in 1920.

Yesterday, in an interview with United Press, Mrs. Peary said her first reaction to news of the discovery of the North Pole was, "Now he will be able to stay home." And her wish was realized. He never went exploring again.

Mrs. Edward Stafford, of Washington, D.C., his daughter, now staying with her mother, thinks someone may eventually discover the fragment of the flag left at the Pole by Peary—and Henson.

[From the Herald Tribune, Mar. 10, 1955]

MATTHEW A. HENSON DIES; WENT TO POLE WITH PEARY

Matthew Alexander Henson, eighty-eight, the Negro companion of Adm. Robert E. Peary during the latter's successful expedition to the North Pole in 1909, died yesterday in St. Clare's Hospital after a six-week illness. He lived at 246 W. 150th St.

Mr. Henson had lived in retirement for the last sixteen years, emerging only to receive belated recognition ten years ago for his services with the Peary expedition. In June of 1945. Thirty-six years after the polar exploit, he received a Navy medal along with others on the expedition.

Surviving are his wife, Mrs. Lucy Ross Henson, and a sister, who lives in Washington.

VISITED EISENHOWER

Last April 6, on the forty-ninth anniversary of the conquest of the North Pole, Mr. Henson visited President Eisenhower at the White House. Together they looked at a large globe of the world in the President's office and Mr. Eisenhower, pointing to the Arctic, remarked, "Now we have air bases all along there."

Living on an $85-a-month governmental pension, Mr. Henson took only occasional trips to receive awards from various groups but gave up even these although until his illness he maintained his routine of walking four miles a day.

Mr. Henson was a porter in a Washington hat store in 1886 when Mr. Peary came in to buy a hat and mentioned to the proprietor he was looking for a valet. Mr. Henson got the job, stayed with Mr. Peary on and off for five years, then remained with him steadily for eighteen years during which Adm. Peary made all his eight polar expeditions.

LECTURE TOUR

Mr. Henson's rewards were a silver loving cup from the Bronx Chamber of Commerce and a $960-a-year job as a mail clerk in the Customs House. He wrote a book that did not sell, and he made a lecture tour that netted only a few hundred dollars. In 1926 Rep. Emanuel Celler, D., N.Y., tried to get him a $1,700 pension and a Congressional medal for bravery but nothing came of it.

He and four Eskimos were Adm. Peary's sole companions when they stood at ninety degrees North Latitude on April 6, 1909. Six others who had started on the final dash over the ice from Cape Columbia had returned one by one as the supplies diminished. At the end of the month Capt. Bob Bartlett was the only white man left with Peary, and he turned back in 87 degrees 48 minutes North, the highest latitude reached up to that time.

Over the last stretch Mr. Henson bore the brunt of the trail-breaking. On the whole sledging conditions were not unfavorable. But on the morning of April 6, although his observations showed him to be in Latitude 89 degrees 57 minutes—only three miles from the pole—Peary was so nearly exhausted that with the prize actually in sight he could go no further.

AT POLE 30 HOURS

After a few hours sleep, however, he covered the remaining miles. He raised the Stars and Stripes above a cairn of ice while Mr. Henson led the Eskimos in three cheers. The party remained at the pole thirty hours, took observations, and, on sounding a few miles from the pole, found not bottom at 9,000 feet. The North Pole was thus proved to be in the center of a vast sea of ice.

The return was made in forced marches, and further time was saved by occupying the igloos built during the northern advance. The weather was favorable, and with the light loads the dogs made rapid progress. The distance from the pole to the base camp at Cape Columbia was covered in the incredibly quick time of sixteen days.

HECKLED ON LECTURE TOUR

Mr. Henson was heckled unmercifully when he attempted a lecture tour upon his return.

Sinister meaning was read into the fact that on the final dash to the Pole, Adm. Peary had chosen him instead of Capt. Bartlett. It was not generally known that Mr. Henson had been with the admiral on seven previous Arctic expeditions, that he was probably the best dog driver in the party that he could get along better with the Eskimos than any of the white men.

"He was the only man in the party who could build a snow house," recalled Cmdr. Donald B. McMillan years later. "He made every sledge and cookstove used on the route to the pole. Henson was altogether the most efficient man with Peary."

By Mr. INOUYE:

S. 3257. A bill to require that skilled nursing homes furnishing services under the medicare and medicaid programs be adequately equipped with wheelchairs and other appropriate equipment and supplies. Referred to the Committee on Finance.

Mr. INOUYE. Mr. President, today I am introducing legislation that will be a step in the improvement of our system of nursing homes. This bill would require those homes which furnish services under medicare and medicaid programs to be adequately equipped with wheelchairs and other appropriate equipment and supplies.

We have come to realize that our system of care for the aged and infirm has been a tragic failure in public policy. While many nursing homes provide a lifestyle which invigorates their patients countless others can be rightly depicted as crimes against humanity. Sadly, many of these homes have become places to die, where life is gradually sapped away by a daily routine of humiliation and dehumanization.

The state of physical facilities in the nursing home has a direct bearing on the quality of health services provided. In many homes now receiving medicare and medicaid reimbursements, a lack of wheelchairs confines patients to beds and limits therapy to watching television. Such treatment has been empirically proven to be debilitating to the convalescent's mental and physical well-being. Where patients have enjoyed a variety of stimulating activities, dramatic improvement in their health and outlook on life has resulted.

The legislation that I am proposing would provide for the availability of wheelchairs for patients. While it would be too much to expect that these nursing homes will initiate programs of beneficial therapy, patients will be assured of freedom of movement which might otherwise be denied by a lack of such equipment. This simple provision can be of immeasurable value to those who are trapped within the confines of their beds and waiting for death to come.

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. 3257

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 1861(j) of the Social Security Act is amended—

(1) by striking out "and" at the end of paragraph (13),

(2) by inserting "and" at the end of paragraph (15), and

(3) by adding immediately after paragraph (15) the following new paragraph:

"(16) is adequately equipped (as determined under regulations of the Secretary) with wheel chairs and other appropriate equipment and supplies;".

(b) The amendment made by subsection (a) shall take effect on the first day of the first calendar month which begins more than 90 days after the date of enactment of this Act, and the Secretary of Health, Education, and Welfare shall, prior to such date, promulgate and have published in the Federal Register, the regulations which are referred to in section 1861(j)(16) of the Social Security Act (as added by subsection (a) of this section.

By Mr. STEVENS:

S. 3258. A bill to amend section 8335 (e) of title 5, United States Code. Referred to the Committee on Post Office and Civil Service.

Mr. STEVENS. Mr. President, today I am introducing legislation which would cost little if any in the term of Federal funding but which would eliminate an undue and unjustifiable restriction on certain Federal clerical employees.

As is well known, the Alaska Railroad is the only federally owned railroad in the Nation. As such, Alaska Railroad employees are Federal employees. The Alaska Railroad Retirement Act of 1936—Public Law 74-836—provided for mandatory retirement at age 62 for employees of the Alaska Railroad except clerical employees. Mandatory retirement at age 62 was established because transportation employees of the Alaska Railroad were subject to unusual hardships and dangers as compared to those confronted by employees in the continental United States. A part of the Alaska Railroad is located in country which is swept by severe storms and is subject to heavy snowfall and very low temperatures. It was deemed in the best interest of both the employee's and passengers' safety not to permit employees of advancing age to engage in work under such difficult and trying conditions.

Clerical employees were excluded from this act on the basis that they were not subject to these same dangers, difficulties, and hazards. Due to administrative difficulties encountered because of this exclusion and because of differing employee deductions between the Alaska Railroad Retirement Act and the Civil Service Retirement Act, clerical employees of the Alaska Railroad were brought under the Alaska Railroad Retirement Act in June of 1940—Public Law 76-680.

As a result of this action, clerical employees are now required to retire upon reaching the age of 62 after completing 15 years of service in Alaska. This despite the fact that they do not in any way face the same hazards as railroad transportation employees.

In 1949, the Alaska Railroad Retirement Act was merged with the Civil Service Retirement Act—Public Law 81-810. The age 62 mandatory retirement provision was retained. As a result of the merging of these two retirement programs, the major administrative difficulties, administering differing retirement systems, was brought to an end. Unfortunately, clerical employees continue to be subjected to the 62 mandatory retirement provisions.

Mr. President, my bill, if passed, would once again exempt clerical employees from this unfair restriction. Many clerical employees of the Alaska Railroad would prefer to remain with the Federal service beyond age 62. Mr. President, I do not think we can afford to lose the valuable services of these clerical and management level employees just because they are 62 years of age. Many of these people want to remain with the Government and the Alaska Railroad wishes to retain them. But because of a former administrative problem, solved almost 30 years ago, these employees continue to suffer this undue restriction.

Mr. President, I ask for unanimous consent to have my bill printed in the RECORD.

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

S. 3258

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

(e) "This section applies to an employee of the Alaska Railroad in Alaska, except an employee in a managerial or clerical position, and to an employee who is a citizen of the United States employed on the Isthmus of Panama by the Panama Canal Company or the Canal Zone Government, who becomes 62 years of age and completes 15 years of service in Alaska or on the Isthmus of Panama."

By Mr. BUMPERS:

S. 3259. A bill to establish in the Energy Research and Development Administration an Energy Extension Service to develop, demonstrate, and analyze energy conservation opportunities, and to develop programs to encourage acceptance and adoption of energy conservation opportunities by energy consumers. Referred to the Committee on Interior and Insular Affairs.

ENERGY EXTENSION SERVICE ACT OF 1976

Mr. BUMPERS. Mr. President, I introduce for your consideration today an act to create an Energy Extension Service. The idea behind this proposal is so simple and yet the prospective impact so great that I wish I could claim credit for it. The idea is not mine, however, but originated with my distinguished Arkansas colleague in the House, Representative RAY THORNTON. It is essentially his bill originally introduced as H.R. 10154 which I present for your consideration today.

The concept is modeled after the highly successful Agricultural Extension Service of the Department of Agriculture with which most of you are familiar. The Energy Extension Service proposed in this bill would provide a mechanism for informing end users about more efficient methods of energy utilization. As a member of the Energy Research and Water Resources Subcommittee of the Senate Interior Committee I have been made aware of the significant shortcomings in this area. No matter how good the research and development activities at ERDA, they will do us little good if the people who will use these new techniques are unaware of them. Yet every place I look, I see compelling evidence that we can effectively increase our energy resources more quickly and at a lower cost by end use energy conservation, and other techniques to enhance efficient energy use, than by any other method.

The Energy Extension Service which I propose in this bill would rectify another problem that exists. Neither ERDA nor any other agency, including FEA, now has an effective mechanism to inform the individual homeowner, building contractor, municipal or State official, the farmer, or the small businessman of energy efficient techniques and technologies. In my view ERDA needs to do more research and development on a scale suitable for the family, the farm and the community. The Energy Extension Service will hopefully stimulate demand for more work in those areas.

One final aspect of this bill which I would like to bring to your attention is the manner in which this bill conveys useful energy information to the public. Energy Extension Service agents are provided for, and to the greatest extent possible they are encouraged to work closely with existing structures such as the established offices of the Agriculture

Extension Service. In this way efficient energy utilization can be incorporated into other programs, and the cost of support facilities can be reduced to a minimum.

Mr. President, I ask unanimous consent that the text of the Energy Extension Service Act of 1976 be printed in the RECORD.

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

S. 3259

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

SECTION 1. This Act may be cited as the "Energy Extension Service Act of 1976."

SEC. 2. The Congress hereby declares—

(a) that the general welfare and the common defense and security require a greater public knowledge of energy conservation opportunities;

(b) that scientific identification and demonstration of specifically designed energy conservation opportunities, the dissemination of information relating thereto, and the prompt delivery and acceptance of specific energy conservation opportunities require a national effort; and

(c) that the national effort required to develop, demonstrate, and encourage acceptance and adoption of energy conservation opportunities should be coordinated at the Federal level by the Energy Research and Development Administration.

SEC. 3. (a) There is established in the Energy Research and Development Administration an office to be designated as the Energy Extension Service (hereinafter in this Act referred to as the "Service"). The Service shall be headed by a Director who shall be appointed by the Administrator. The Director shall be a person who by reason of training, experience, and attainments is exceptionally qualified to implement the programs of the Service. There shall be in the Service a Deputy Director who shall be appointed by the Administrator, who shall perform such functions, powers, and duties as may be prescribed from time to time by the Director, and who shall act for, and exercise the powers of, the Director during the absence or disability of, or in the event of a vacancy in, the office of the Director.

(b) The Director shall receive basic pay at the rate provided for level IV of the Executive Schedule in section 5315 of title 5, United States Code, and the Deputy Director shall receive basic pay at the rate provided for level V of such Schedule in section 5316 of such title.

SEC. 4. (a) The Service shall develop and implement a comprehensive program for the identification, development, and demonstration of energy conserving practices, techniques, materials, and equipment for—

(1) agricultural, commercial, and small business operations, and

(2) new and existing residential, commercial, or agricultural buildings or structures. Such programs shall provide for technical assistance, instruction, and practical demonstrations in energy conservation opportunities.

(b) To accomplish the objectives of this Act, the Service shall establish energy extension service offices consisting of metropolitan city offices, county agents, and technical staff assistants.

(c) In establishing energy extension service offices the Director is authorized to enter into agreements for the utilization of existing Agriculture Extension Service offices and personnel, or such other offices and personnel as may be appropriate, and to provide funds for such operations.

(d) Local extension offices shall disseminate information and provide advice and assistance to individuals, groups, and units of State and local government by means of—

(1) specific studies and recommendations applicable to individual residences, businesses, and agricultural or commercial establishments;

(2) demonstration projects;

(3) distribution of studies and instructional materials;

(4) seminars and other training sessions for State and local government officials and the public; and

(5) other public outreach programs.

SEC. 5. (a) The Director shall promulgate such regulations and directives as may be necessary to carry out the functions and projects of the Service.

(b) The Director shall consult and cooperate with the Secretary of Housing and Urban Development, the Administrator of the Federal Energy Administration, the Secretary of Agriculture, the Administrator of the Environmental Protection Agency, and the heads of other Federal agencies administering energy-related programs, with a view toward achieving optimal coordination with such other programs, and shall promote the coordination of programs under this Act with other public or private programs or projects of a similar nature.

(c) Federal agencies described in subsection (b) shall cooperate with the Administrator in disseminating information with respect to the availability of assistance under this Act, and in promoting the identification and interests of individuals, groups, or business and commercial establishments eligible for assistance through programs funded under this Act.

SEC. 6. (a) Section 103 of the Energy Reorganization Act of 1974 (42 U.S.C. 5801) is amended by redesignating paragraphs (7) through (11) as paragraphs (8) through (12), respectively, and inserting immediately after paragraph (6) the following new paragraph:

"(7) establishing, in accordance with sections 1 through 5 of the Energy Extension Service Act of 1976, an Energy Extension Service to provide technical assistance, instruction, and practical demonstrations on energy conservation measures and alternative energy systems to individuals, businesses, and State and local government officials;".

By Mr. LONG:

S. 3260. A bill to amend the Intercoastal Shipping Act, 1933, by revising its suspension provisions and by authorizing periodic promulgation of rate of return guidelines. Referred to the Committee on Commerce.

S. 3261. A bill to amend the Intercoastal Shipping Act, 1933, for the purpose of assuring adequate, modern, and efficient transportation by water between the noncontiguous States, territories, and possessions of the United States, and the United States mainland. Referred to the Committee on Commerce.

Mr. LONG. Mr. President, on March 18, 1976, I introduced S. 3180, the proposed Intercoastal Shipping Improvement Act of 1976.

Today I am introducing two additional bills directed toward the same subject: The economic regulation of common carriers by water in intercoastal commerce. These three measures each take a different approach toward assuring adequate, modern, and efficient transportation by water between the United States mainland and the noncontiguous States, territories, and possessions of the United States. I am not necessarily wedded to any one of them, however, I have introduced them in order to promote a dialog which will assist the Commerce Committee's Merchant Marine Subcommittee in recommending appropriate legislation.

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

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

S. 3260

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3 of the Intercoastal Shipping Act, 1933 (46 U.S.C. 845), is amended by inserting at the end thereof the following new paragraph:

"*Provided, however,* That commencing in calendar year 1976 and with a frequency of not more often than once each twelve months a carrier may file a general increase in rates without suspension of that portion of such changed rates bringing about an increase of 7 per centum or less in its gross annual revenues. If at the conclusion of any proceeding the Commission finds that such portion of the changed rates is unjustified in whole or in part, it may order the carrier or carriers concerned to make appropriate refunds, with interest, to the persons entitled. For purposes of this section a general increase in rates is defined as a change in rates that in the aggregate brings about an increase of 3 per centum or more in a carrier's gross revenue or in 50 per centum or more of its tariff items per trade for the twelve-month period ending not more than sixty days prior to the date of filing."

SEC. 2. Section 3 of the Intercoastal Shipping Act, 1933 (46 U.S.C. 845), is amended by adding at the end thereof the following new paragraph:

"As a means of assisting in insuring that the noncontiguous States, territories, and possessions of the United States will have adequate, modern, and efficient ocean transportation service to and from the United States mainland, the Commission shall, within six months after enactment of this provision and from time to time thereafter as substantial change in circumstances may make appropriate, promulgate numerical guidelines as to common carrier rate of return on rate base and common equity which the Commission deems to be prima facie reasonable: *Provided,* That in its determination of such guidelines the Commission shall include therein as determinative factors—

(A) the cost of replacing vessels and related equipment including that associated with stevedoring and terminal operations;

(B) the prevailing cost of capital;

(C) the degree of risk associated with the investment of such capital;

(D) the need of the public interest for the continued provisions by carriers of certain unprofitable segments or elements of service; and

(E) other appropriate factors.".

S. 3261

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3 of the Intercoastal Shipping Act, 1933 (46 U.S.C. 845), is amended by adding at the end thereof the following new paragraph:

"The Commission shall within twelve months after enactment of this provision, and from time to time thereafter as substantial change in circumstances may make appropriate, develop and promulgate a reasonable prima facie rate of return for common carriers by water operating self-propelled vessels, with development of the initial rate of return to be preceded by notice and an opportunity for a hearing: *Provided,* that such rates of return shall include as determinative factors—

(A) the cost of replacing vessels and related equipment including that associated with stevedoring and terminal operations;

(B) the degree of risk associated with the investment of capital;

(C) the prevailing cost of money in capital markets;

(D) the need in the public interest for the continued provision by carriers of certain unprofitable segments or elements of service; and

(E) other appropriate factors."

SEC. 2. Section 3 of the Intercoastal Shipping Act, 1933 (46 U.S.C. 845), is amended by inserting at the end of the second sentence of the second paragraph the following:

"*Provided, however,* that when a carrier files a change in rates and charges there shall be no suspension of the effective date of that portion of such changed rates and charges which will provide the carrier with an opportunity to realize during the succeeding 12 months an increase in gross revenues not exceeding that sufficient to raise the carrier's rate of return to the prima facie rate of return, which until its initial development and promulgation, shall be for this purpose 10.59 percent on rate base. Nothing in this paragraph shall be construed as establishing a presumption that any increase in gross revenues in excess of such amounts is unlawful or should be suspended. If at the conclusion of any proceeding the Commission finds that the portion of the changed rates and charges hereby made exempt from suspension is unjustified in whole or in part, it may order the carrier or carriers concerned to make appropriate refunds to the persons entitled to the excess charges collected during the four month period of exemption from suspension, plus interest at a rate which is equal, on the date the changed rates or charges are filed, to the average yield of marketable securities of the United States having a duration of 90 days."

By Mr. JAVITS (for himself and Mr. WILLIAMS):

S. 3262. A bill to amend and improve the programs authorized under the Emergency Unemployment Compensation Act of 1974, and the Emergency Jobs and Unemployment Assistance Act of 1974, to extend such programs for 1 year, and for other purposes; to the Committee on Labor and Public Welfare and the Committee on Finance, jointly, by unanimous consent.

EMERGENCY UNEMPLOYMENT COMPENSATION AND SPECIAL UNEMPLOYMENT ASSISTANCE AMENDMENTS OF 1976

Mr. JAVITS. Mr. President, Senator WILLIAMS, of New Jersey, and I are today introducing legislation to amend and extend two programs of emergency unemployment compensation originally adopted by the Congress in December, 1974. These programs are, first, the Federal supplemental benefits—FSB—program, which provides up to 26 weeks of additional unemployment compensation for long-term unemployed workers who have exhausted their benefits under the regular State unemployment insurance laws, and the Federal-State extended unemployment benefits program; and, second, the special unemployment assistance—SUA—program, which provides up to 39 weeks of unemployment assistance to unemployed workers who lose their jobs in employment not covered by the regular unemployment insurance system and who are, therefore, ineligible for any other form of unemployment compensation.

There has been much discussion of the economic indications that our Nation is beginning to recover from the deep recession which gripped our economy for much of the last 2 years. However, we continue to suffer the highest levels of unemployment since the depression of the 1930's. Despite some improvement in the total unemployment rate over the past few months, it remains a stark fact that there are now 7.5 million men and women who, although ready, willing and able to work, have been unable to find gainful employment in either the public or private sector.

In addition, over the period of the last year, the number of long-term unemployed, those out of work for 6 months or more, has virtually doubled to more than 1½ million. Unemployment nationwide remains in excess of 7 percent, and this does not take into account nearly 1 million men and women who have become so discouraged that they have given up their search for a job; or the hundreds of thousands who want full time jobs, but have had to settle for part-time employment. Many metropolitan areas, numerous central city ghettos, and indeed, black and other minority workers across the country, continue to suffer double digit unemployment. As compared with the 7.5 percent level of unemployment for the workforce as a whole, unemployment for blacks and other minorities was 12.5 percent in March. For teenagers, the unemployment levels are even higher—19.1 percent—and nearly double that rate for black teenage workers.

The bill that we are today introducing would continue the SUA program for an additional year beyond its current expiration date to December 31, 1977. This extension is necessary to assure the approximately 12 million American workers whose employment is not currently covered by the regular unemployment insurance system of at least minimal levels of income security protection in the event of unemployment. The principal groups not covered by the regular unemployment insurance system are State and local government employees, domestic service workers, and farm workers. In view of our Nation's hard-pressed State and municipal governments, which have been experiencing, and will continue to experience, conditions forcing lay-offs of municipal employees in unprecedented numbers, the extension of this program is essential.

Legislation is currently awaiting action in the House which would provide for a significant expansion of coverage under the regular Federal-State unemployment insurance system, eliminating the need for continued extensions of the SUA program. It is problematic, however, as to when or whether that legislation will be enacted. Until such time as the Congress is able to act on that legislation, we must provide for the continued income maintenance protection for unemployed workers excluded from the unemployment insurance system.

Our bill would also provide for the continuation of the FSB program for an additional year, through March 31, 1978. This program is designed to provide assistance to workers suffering the hardship of prolonged periods of unemployment. A failure to provide for the continuation of these benefits would be a serious error on two grounds. First, even the most optimistic projections indicate that this Nation will continue to experience intolerably high levels of unemployment for the remainder of 1976, and continue through 1977 as well. To permit this essential program of unemployment assistance to lapse at this time would be to ignore the serious problems of long-term unemployment and the inadequacies of the permanent unemployment insurance system on which we rely so heavily to protect individuals from economic recessions. Second, these benefits provide direct economic stimuli which aid in continued progress toward economic recovery. They flow directly into the mainstream of the economy from unemployed workers who use them to provide the basic essentials of food, shelter, and clothing for their families.

Estimates prepared for the Committee on Labor and Public Welfare indicate that, even with the continuation of the FSB program through 1977, over 2 million unemployed workers will still exhaust their entitlement to all unemployment assistance during 1976. Mr. President, I ask unanimous consent that tables prepared by the Department of Labor forecasting the number of exhaustees of the FSB and SUA programs be printed in the RECORD at the conclusion of my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. (See exhibit 1.)

Mr. JAVITS. The Labor and Public Welfare Committee is currently considering amendments to the public service jobs program under title VI of the Comprehensive Employment and Training Act, which would provide additional public service employment opportunities for unemployed workers exhausting their entitlement to regular unemployment benefits. However, even if that legislation were to provide for one million public service employment opportunities, it would not begin to create enough jobs for the long-term unemployed who do not have the resources to provide for themselves and their families. If our economy, in either the public or private sector, is unable to employ those workers who are ready, willing and able to work, it is imperative that we at least continue to maintain unemployment assistance benefits at current levels and provide a viable alternative to public assistance.

In addition to continuing the FSB program for an additional year, the bill that we are introducing today would also institute a new national trigger for the first 13 weeks of benefits under that program. The FSB program is currently triggered on and off solely on the basis of the statewide level of insured unemployment. In order for unemployed workers in a State to be eligible to receive maximum entitlement under the FSB program of up to 26 weeks of additional benefits, the insured unemployment rate in the unemployed worker's State must equal or exceed 6 percent. These trigger requirements were added

to the FSB program last June when Congress considered legislation extending and modifying the FSB and SUA programs. When these amendments were adopted by the Congress, I expressed my reservations about the potentially harsh and inequitable impact of the new trigger requirements. At that time I said:

I am wary of the potential impact of the trigger requirements for the FSB program adopted by the Finance Committee and approved by the Senate and the conferees. There is, in my judgment, danger that certain states which have relatively low statewide unemployment, as compared to the rest of the Nation, will trigger out of some or all of the FSB program next January 1 (1976). Some of those States may well contain large metropolitan areas suffering significant unemployment, and central city areas where unemployment overall may continue to run as high as 10 to 15 percent, even though unemployment in the State as a whole is much lower. To deprive unemployed workers in those areas of the benefits provided by this act at a time when they may well be experiencing as much difficulty in obtaining employment as similarly situated workers in States with higher overall unemployment concerns me deeply.

Now that the triggers adopted last June have been in place for 3 months, I am sorry to report that the fears I expressed last year have come to fruition. No workers in the following 12 States and the District of Columbia are eligible to file new claims under the FSB program at all:

Colorado, District of Columbia, Indiana, Kansas, Louisiana, Mississippi, Nebraska, Ohio, Oklahoma, South Dakota, Texas, Virginia, and Wyoming.

In the following 10 States, workers are entitled to receive only one-half of their full entitlement to FSB benefits because those States have statewide insured unemployment rates of between 5 and 6 percent:

Delaware, Florida, Georgia, Iowa, New Mexico, North Carolina, South Carolina, Utah, North Dakota, and New Hampshire.

The inequities of the trigger system adopted last June for the FSB program are quite apparent. Although the insured unemployment rate in a given State may be low overall, metropolitan areas within the State may be experiencing considerably higher unemployment levels. Many of our poorest workers, who live in central city areas, are likely to have still greater levels of unemployment. For a worker in a central city ghetto in one part of a large State, it is little comfort to be told that he or she is being cut off from unemployment assistance benefits because jobs are readily available in another part of the State several hundred miles away.

The situation in Ohio exemplifies my point. No unemployed worker there is now entitled to file a new claim for any benefits under the FSB program because the statewide insured unemployment rate of 4.91 percent has triggered the program off. Nevertheless, workers in many areas of Ohio are experiencing high unemployment rates. In Cincinnati the total unemployment rate in January, according to the Bureau of Labor Statistics of the Department of Labor, stood at 10.4 percent. At the same time, workers in other areas with lower unemployment rates remain eligible for FSB benefits.

I recognize, however, the support for a trigger mechanism to provide longer durations of benefits in those States where the overall need for them is the greatest, and have determined not to propose the abandonment of the trigger mechanisms adopted last June. Rather, the bill we are introducing would add a new national trigger—at a level of 4.5 percent insured unemployment—which, when met, would provide that the first half of the FSB program—up to 13 weeks—would be triggered on in all States. The second 13 weeks of FSB benefits would continue to be governed by the trigger adopted last June—requiring at least a 6-percent insured unemployment rate, statewide, in order for workers in that State to be eligible to receive those benefits.

In addition, the bill that we are proposing makes a number of other necessary changes in the FSB and SUA programs. First, it provides for a change in the method of computation of the insured unemployment rate, upon which the triggers for the FSB program, and the Federal-State extended benefits program, as well, are based. Under current practice, the only persons counted as unemployed for the purposes of calculating the insured unemployment rate are those actually receiving regular or extended unemployment benefits. Workers who have exhausted their entitlements to those benefits and still cannot find jobs, even those currently receiving FSB benefits, are not counted among those unemployed in calculating that rate. The effect of this practice is that, particularly during periods when many workers are suffering prolonged periods of unemployment, the IUR does not adequately reflect the number of persons covered under the regular unemployment insurance system who are currently unemployed and seeking work.

To remedy this serious defect in calculating the insured unemployment rate, we are proposing that the number of persons counted as unemployed include an estimate of the number of persons who have exhausted their entitlement to benefits under the regular unemployment insurance program and the extended benefits program, but who remain unemployed and are seeking work. It is necessary that this figure be estimated because neither the Department of Labor nor the State unemployment insurance administrators maintain accurate records of the number of such exhaustees who remain unemployed and in the labor force.

I note that this modification of computing the insured unemployment rate was also incorporated in the Emergency Unemployment Compensation Act of 1971, a predecessor of the FSB program. In this connection, I urge both the Department of Labor and the responsible State agencies to consider methods by which such data may be more accurately gathered so that we may have a clearer understanding of the number and economic characteristics of unemployment insurance exhaustees.

Such information as is available regarding such exhaustees indicates the need for the amendments we are proposing today. A recent study sponsored by the Department of Labor of unemployment insurance exhaustees reports that—

Extending benefits keeps many individuals above the poverty line. Without such extensions, nearly 40 percent of white exhaustees would have incomes below the poverty line, whereas with extensions only 10 percent do.

For black and other minority workers, the effect is even more dramatic. There, fully 55 percent of exhaustees have incomes below the poverty line when benefits are terminated, as opposed to 21 percent when they are continued on unemployment assistance. This study also shows that, 4 months after exhausting their benefits, three-fourths of the workers were still out of work or had dropped out of the labor force. I ask unanimous consent that two tables from this study, showing the percentages of those unemployment insurance exhaustees whose incomes are below the poverty line, and those who remained unemployed, printed in the RECORD at this point in my remarks.

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

TABLE I.4—EFFECT OF EXTENDED BENEFITS ON THE DISTRIBUTION OF FAMILIES BY RACE AND RATIO OF INCOME TO POVERTY LINE

[In percent]

Ratio of income to poverty line	Whites		Negro and other races	
	Without extended benefits	With extended benefits	Without extended benefits	With extended benefits
0 to 0.5	30.7	0.8	42.7	2.3
0.5 to 1.0	9.1	9.2	12.6	19.4
1.0 to 1.5	10.7	17.9	12.1	27.5
1.5 to 2.0	12.5	14.3	9.9	14.3
2.0 to 3.0	17.2	23.4	13.5	18.1
3.0 to 4.0	11.2	17.5	4.7	12.2
4.0 plus	8.1	16.9	3.5	6.2
Total	100.0	100.0	100.0	100.0

TABLE I.6—LABOR FORCE STATUS 4 MO AFTER EXHAUSTION OF BENEFITS (BY RACE AND SEX)

[In percent]

	White		Negro and other races		Total	
	Male	Female	Male	Female	Male	Female
Employed	28.8	24.9	24.5	16.0	27.0	22.1
Out-of-labor-force	11.3	17.7	5.9	22.0	9.0	19.1
Unemployed	59.9	57.4	59.6	61.1	64.0	58.8
Total	100.0	100.0	100.0	100.0	100.0	100.0
Percentage receiving extended benefits	23.7	22.5	13.8	14.2	19.4	19.6
Percentage applied for extended benefits but not yet receiving	11.5	16.4	17.8	16.9	14.1	16.6

Mr. JAVITS. The bill that I am proposing also contains provisions making

available additional unemployment assistance benefits under the FSB and SUA programs for unemployed workers who have otherwise exhausted their entitlement to unemployment assistance, and who are participating in approved programs of job training or retraining. Under the FSB amendments adopted last June, FSB recipients who are determined by the appropriate State unemployment assistance administrator to be in need of job training or retraining are required to apply for, and participate in, available training programs. Under section 3304 (a)(8) of the Internal Revenue Code, the permanent unemployment insurance law, workers voluntarily participating in job training programs approved by the State unemployment insurance administrators are exempted from the "seeking work," "availability for work," and "disqualification for refusal to accept work" requirements of the law.

The amendment that I am proposing would provide that, when an unemployed worker is participating in an approved job training program, and that worker exhausts his entitlement to unemployment assistance under the FSB or SUA programs, he or she would be eligible to receive up to 13 weeks of additional unemployment assistance to permit him to complete the course of job training which he has begun.

This amendment is but another small step toward the desirable goal of integrating our unemployment insurance and manpower development systems. This country is certainly far short of the approach adopted in other countries, such as Germany and France, of providing training and education courses as a matter of right to the unemployed with financing through the unemployment insurance tax mechanism. The Federal response to the recession, in terms of assisting unemployed individuals, has essentially been limited to expansion of the unemployment insurance system on an ad hoc basis and the addition of only a few public service jobs. Education and training stand virtually at prerecession levels.

In my judgment, recessionary periods, such as we are experiencing today, should be used to increase the education and skill level of the work force, and to maximize the possibility of funding jobs. Preliminary reports indicate that the requirement for FSB claimants to register for available training slots has had practically no effect. A thorough review of this matter should be undertaken, and I am pleased to note that such institutions as the National Commission for Manpower Policy and the National Manpower Institute have begun to give it serious consideration.

In addition, this bill provides, on a prospective basis, for the financing of FSB from general revenues. I concur in the views expressed by the Senate Committee on Finance last year—report No. 94-200)—that it is inappropriate to expect the repayment of advances to the trust fund from the Federal unemployment tax.

Finally, this bill provides for financing, through the SUA program, of the cost of unemployment insurance coverage for public service employees under the Comprehensive Employment and Training Act. In 41 States and the District of Columbia these employees are already covered under SUA. However, in nine States which have—commendably—covered public employees under their permanent unemployment compensation laws, the cost of coverage must be financed by the CETA prime sponsors. This operates unfairly to reduce the number of jobs which could otherwise be provided out of the allocation of funds under CETA. Our provision will bring the funding of such unemployment insurance coverage under one source.

In closing, Mr. President, I urge not only the enactment of this much needed legislation, but the prompt enactment of legislation to reform the permanent Federal-State unemployment insurance system. Such legislation is now pending before the House and I hope that the Senate will be able to consider it shortly.

Mr. President, the Federal supplemental benefits program originated in legislation reported by the Finance Committee, and the special unemployment assistance program was initiated by the Committee on Labor and Public Welfare. In June 1975, legislation to improve and extend these programs—reported as H.R. 6900—was referred jointly to both committees.

In light of this precedent, and the inherent interrelatedness of these emergency programs, I ask unanimous consent that the bill be referred jointly to the Committee on Labor and Public Welfare and the Committee on Finance.

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

Mr. JAVITS. I also ask unanimous consent, Mr. President, that the text of the bill and a section-by-section analysis be printed in the RECORD.

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

S. 3262

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

SEC. 1. SHORT TITLE.

This Act may be cited as the "Emergency Unemployment Compensation and Special Unemployment Assistance Amendments of 1976".

TITLE I—AMENDMENTS TO EMERGENCY UNEMPLOYMENT COMPENSATION ACT OF 1974

SEC. 101. STATE AND NATIONAL "ON" INDICATORS.

(a) Section 102(c)(3)(B)(i) of the Emergency Unemployment Compensation Act of 1974, as amended by section 101(a)(1) of the Emergency Compensation and Special Unemployment Assistance Extension Act of 1975, is amended to read as follows:

"(B)(i) For purposes of subparagraph (A), there is an 'emergency on' indicator in a State for a week if—

"(I) the rate of insured unemployment in the State for the period consisting of such week and the immediately preceding twelve weeks equaled or exceeded 5 per centum; or

"(II) the rate of insured unemployment for all States for the period consisting of such week and the immediately preceding twelve weeks equaled or exceeded 4.5 percentum.".

(b) Section 105(6) of such Act, as added by section 101(d)(3) of the Emergency Compensation and Special Unemployment Assistance Extension Act of 1975, is amended to read as follows:

"(6) the term 'rate of insured unemployment' means the percentage arrived at by dividing—

"(A) the sum of (i) the average weekly number of individuals filing claims for regular and extended compensation under the State law with respect to the specified period, and (ii) 25 per centum of the sum of the exhaustions, during the most recent 12 calendar months ending before the week with respect to which such rate is computed, of extended compensation under the State law; by

"(B) the average monthly covered employment for the specified period.".

(c) Section 105(8) of such Act, as added by section 101(d)(3) of the Emergency Compensation and Special Unemployment Assistance Extension Act of 1975, is amended to read as follows:

"(8) determinations with respect to the rate of insured unemployment in a State shall be made by the State agency on the basis of reports made by the State agency to the Secretary and in accordance with regulations prescribed by the Secretary; and".

(d) Section 105 of such Act, as amended by section 101(d)(3) of the Emergency Compensation and Special Unemployment Assistance Extension Act of 1975, is further amended by deleting "and" at the end of paragraph (7), and adding the following new paragraph:

"(9) determinations with respect to the rate of insured unemployment for all States shall be made by the Secretary on the basis of reports made by the State agencies to the Secretary and in accordance with regulations prescribed by the Secretary.".

(e) the amendments made in this section shall apply to "emergency, on" indicators for all weeks which begin after the last day of the first full calendar month after the date of enactment of this title.

SEC. 102. STATE AND NATIONAL "OFF" INDICATORS.

(a) Section 102(c)(3)(B)(ii) of the Emergency Unemployment Compensation Act of 1974, as amended by section 101(a)(2) of the Emergency Compensation and Special Unemployment Assistance Extension Act of 1975, is amended to read as follows:

(ii) For purposes of subparagraph (A), there is an 'emergency off' indicator in a State for a week if there is not for such week an 'emergency on' indicator in the State, as prescribed in subparagraph (B)(i), and if at the end of such week the emergency benefit period in the State has lasted for at least 13 weeks."

(b) The amendment made in this section shall apply to "emergency off" indicators for all weeks which end after the last day of the first full calendar month after the date of enactment of this title.

SEC. 103. FUNDING OF EMERGENCY UNEMPLOYMENT BENEFITS.

(a) Section 104(b) of the Emergency Unemployment Compensation Act of 1974 is amended—

(1) in the first sentence thereof, by striking out "as repayable advances (without interest),", and

(2) in the second sentence thereof—

(A) by striking out "as repayable advances", and

(B) by inserting ", to the extent that such amounts are paid with respect to emergency compensation paid to individuals prior to July 1, 1976," immediately after "section 103 shall".

(b) The amendment made by subsection (a) shall take effect on July 1, 1976.

SEC. 104. EXTENSION OF PROGRAM

(a) Section 102(f) of the Emergency Unemployment Compensation Act of 1974, as amended by section 102(a) of the Emergency

Compensation and Special Unemployment Assistance Act of 1975, is amended to read as follows:

"(2) No emergency compensation shall be payable to any individual under an agreement entered into under this Act for any week ending after—

"(A) March 31, 1978, or

"(B) June 30, 1978, in the case of any individual who had a week beginning before March 31, 1978, with respect to which emergency compensation was payable under such agreement.".

(b) The amendment made in this section shall take effect on the date of enactment of this title.

SEC. 105. ASSISTANCE TO TRAINEES

(a) Section 102 of the Emergency Unemployment Compensation Act of 1974, as amended by section 103(a) of the Emergency Compensation and Special Unemployment Assistance Extension Act of 1975, is amended by adding thereto a new subsection (h) to read as follows:

"(h) (1) Subject to the provisions of this subsection and implementing regulations adopted by the Secretary of Labor, an individual participating in a training program approved pursuant to subsection (g) of this section, or a provision of State law which meets the requirements of section 3304(a) (8) of the Internal Revenue Code of 1954, or provided under the Comprehensive Employment and Training Act of 1973, shall be entitled to compensation after exhaustion of the maximum amount of emergency compensation otherwise payable to the individual, with respect to any week in such training.

"(2) Such compensation shall be payable to an individual for the lesser of a maximum of 13 consecutive weeks, or the weeks the individual is participating and making satisfactory progress in the training program.

"(3) The weekly amount of compensation payable to an individual under this subsection shall be equal to the weekly amount of emergency compensation established for the individual for a week of total unemployment.

"(4) Compensation under this subsection shall be payable for weeks which begin during an emergency benefit period, additional eligibility period (as to the individual), or extended benefit period (as prescribed in section 203 of the Federal-State Extended Unemployment Compensation Act of 1970) which is in effect in the State; and for consecutive weeks thereafter during which the individual continues to participate in the training program, but not in excess of the maximum weeks of compensation as provided in paragraph (2) of this subsection."

(b) The amendment made in this section shall apply to weeks which begin after the date of enactment of this title.

SEC. 106. PAYMENT TO STATES.

(a) Section 103(a) of the Emergency Unemployment Compensation Act of 1974 is amended by deleting "emergency compensation" and by inserting the word "compensation".

(b) The amendment made in this section shall take effect on the date of enactment of this title.

SEC. 107. MODIFICATION OF AGREEMENTS.

The Secretary of Labor shall, at the earliest practicable date after the enactment of this title, propose to each State with which he has in effect an agreement under section 102(a) of the Emergency Unemployment Compensation Act of 1974 a modification of such agreement designed to provide for the payment of compensation allowable under such Act by reason of the amendments made in this title. Notwithstanding any provision of the Emergency Unemployment Compensation Act of 1974, if any State fails or refuses, within the six-week period beginning on the date of enactment of this title, to enter into such a modification of such agreement, the Secretary of Labor shall terminate the agreement with the State as of a date that will preclude the payment of emergency compensation pursuant to such agreement to any individual for any week of unemployment that begins after the end of such six-week period, and the amendments in sections 101, 102, 104, 105, and 106 of this title shall not become operative in that State.

SEC. 108. RULES AND REGULATIONS.

(a) The Emergency Unemployment Compensation Act of 1974 is amended by adding thereto a new section 109 to read as follows:

"SEC. 109. RULES AND REGULATIONS.

"The Secretary of Labor may prescribe rules and regulations to implement this Act.",

(b) The amendment made in this section shall be effective from and after the date of enactment of the Act.

TITLE II—SPECIAL UNEMPLOYMENT ASSISTANCE AMENDMENTS

SEC. 201. EXTENSION OF PROGRAM.

(a) Section 208 of the Emergency Jobs and Unemployment Assistance Act of 1974, as amended by section 201(b) of the Emergency Compensation and Special Unemployment Assistance Extension Act of 1975, is amended to read as follows:

"SEC. 208. TERMINATION DATE.

"Notwithstanding any other provision of this title, no payment of assistance under this title shall be made to any individual with respect to any week of unemployment ending after March 31, 1978; and no individual shall be entitled to any assistance under this title with respect to any initial claim for assistance or waiting period credit which is effective in a week beginning after December 31, 1977.".

(b) The amendment made in this section shall take effect on the date of enactment of this title.

SEC. 202. ASSISTANCE TRAINEES

(a) Title II of the Emergency Jobs and Unemployment Assistant Act is amended by adding a new section 211 thereto to read as follows:

"SEC. 211. ASSISTANCE TO TRAINEES.

"(a) Subject to the provisions of this section and implementing regulations adopted by the Secretary, an individual participating in a training program approved pursuant to a provision of State law which meets the requirements of section 3304(a)(8) of the Internal Revenue Code of 1954, or provided under the Comprehensive Employment and Training Act of 1973, shall be entitled to assistance after exhaustion of the maximum amount of assistance otherwise payable to the individual, with respect to any week in such training.

"(b) Such assistance shall be payable to an individual for the lesser of a maximum of 13 consecutive weeks, or the weeks the individual is participating and making satisfactory progress in the training program.

"(c) The weekly amount of assistance payable to an individual under this section shall be equal to the weekly amount of assistance established for the individual pursuant to section 205 for a week of total unemployment.

"(d) Assistance under this section shall be payable for weeks which begin during a Special Unemployment Assistance Period in the area in which the individual was last employed and for consecutive weeks thereafter during which the individual continues to participate in the training program, but not in excess of the maximum weeks of assistance as provided in subsection (b) of this section.".

(b) The amendment made by this section shall apply to weeks which begin after the date of enactment of this title.

SEC. 203. UNEMPLOYMENT ASSISTANCE FOR PUBLIC SERVICE EMPLOYEES

Title II of the Emergency Jobs and Unemployment Assistance Act of 1974 is amended by adding a new section 212 thereto to read as follows:

"SEC. 212. (a) Definitions.—For purposes of this section—

"(1) 'State' means the States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and the Virgin Islands;

"(2) 'compensation' means cash benefits payable to individuals with respect to their unemployment, and includes 'regular compensation,' 'additional compensation,' and 'extended compensation' as defined in section 205 of the Federal-State Extended Unemployment Compensation Act of 1970;

"(3) 'public service job' means any public service job funded with assistance provided under the Comprehensive Employment and Training Act of 1973;

"(4) 'public service wages' means remuneration for services performed in a public service job;

"(5) 'base period' means the base period as determined under the State law;

"(6) 'Secretary' means the Secretary of Labor;

"(7) 'State agency' means the agency of the State or political subdivision which administers the State law; and

"(8) 'State law' means the unemployment compensation law of a State which has been approved by the Secretary of Labor under section 3304(a) of the Internal Revenue Code of 1954 (26 U.S.C. 3304(a)), the unemployment compensation plan of a political subdivision of a State, and, with respect to the Virgin Islands, the unemployment compensation law of the Virgin Islands.

"(b) Payments to States. (1) Each State and political subdivision shall be paid by the United States, with respect to each individual whose base period wages include public service wages, an amount which shall bear the same ratio to the total amount of compensation paid to the individual with respect to weeks of unemployment which begin on and after January 1, 1976, as the amount of the individual's public service wages in the base period with respect to the current benefit year (most recent benefit year if there is no current benefit year) bears to the total base period wages used in the calculation of the individual's rights to regular compensation.

"(2) Each State and political subdivision shall be paid either in advance or by way of reimbursement, as may be determined by the Secretary, the sum that the Secretary estimates is payable to the State or political subdivision under this section for each calendar month. The sum shall be reduced or increased by the amount which the Secretary finds that his estimate for an earlier calendar month was greater or less than the sum which should have been paid to the State or political subdivision. Estimates shall be made on the basis of reports made by the State agency to the Secretary as prescribed by the Secretary.

"(3) The Secretary shall from time to time certify to the Secretary of the Treasury for payment to each State or political subdivision the sums payable under this section. The Secretary of the Treasury, prior to audit or settlement by the General Accounting Office, shall make payment in accordance with such certification, from the funds appropriated for the purposes of title II of the Emergency Jobs and Unemployment Assistance Act of 1974. Payment to a State shall be made by crediting the payment to the State's account in the Unemployment Trust Fund.

"(c) *Repayment of Employers.* Notwithstanding the provisions of any other law—

"(1) a State or political subdivision shall repay to an employer liable for making reimbursements to the unemployment fund of the State or political subdivision the amount equal to the amount by which the sums paid to the State or political subdivision under subsection (b) of this section are duplicative of the employer's reimbursements to the unemployment fund; and shall not charge a reimbursing employer the amounts which are subject to payment by the United States under subsection (b) of this section; and

"(2) a State or political subdivision shall repay to an employer liable for contributions with respect to public service jobs and public service wages, the total amount of the contributions paid by the employer into the unemployment fund of the State or political subdivision with respect to public service wages paid for services performed in public service jobs on and after January 1, 1976; and shall not take into account, for the purposes of computing contribution rates for the employer, the compensation with respect to which payment is made under subsection (b) of this section, or the employment, wages, payrolls, or separations pertaining to such compensation.

SEC. 204. RULES AND REGULATIONS.

(a) The Emergency Jobs and Unemployment Assistance Act of 1974 is amended by adding thereto a new section 213 to read as follows:

"SEC. 213. RULES AND REGULATIONS.

"The Secretary of Labor may prescribe rules and regulations to implement this title.".

(b) The amendment made in this section shall be effective from and after the date of enactment of this Act.

SEC. 205. MODIFICATION OF AGREEMENTS.

The Secretary of Labor shall, at the earliest practicable date after the enactment of this title, propose to each State with which he has in effect an agreement under section 202 of the Emergency Jobs and Unemployment Assistance Act of 1974 a modification of such agreement designed to provide for the payment of assistance allowable under such Act by reason of the amendments made in sections 201 and 202 of this title. Notwithstanding any provision of title II of the Emergency Jobs and Unemployment Assistance Act of 1974, if any State fails or refuses, within the six-week period beginning on the date of enactment of this title, to enter into such a modification of such agreement, the Secretary of Labor shall terminate the agreement with the State as of a date that will preclude the payment of special unemployment assistance pursuant to such agreement to any individual for any week of unemployment that begins after the end of such six-week period, and the amendments in sections 201 and 202 of this title shall not become operative in that State.

TITLE III—AMENDMENTS TO FEDERAL-STATE EXTENDED UNEMPLOYMENT COMPENSATION ACT OF 1970

SEC. 301. INSURED UNEMPLOYMENT RATE.

(a) Section 203(f)(1) of the Federal-State Extended Unemployment Compensation Act of 1970 is amended to read as follows:

"(f)(1) For purposes of subsections (d) and (e), the term "rate of insured unemployment' means the percentage arrived at by dividing—

"(A) the sum of (i) the average weekly number of individuals filing claims for regular, additional and extended compensation under State law with respect to the specified period; and (ii) 25 per centum of the sum of the exhaustions, during the most recent 12 calendar months ending before the week with respect to which such rate is computed, of extended compensation under the State laws; by

"(B) the average monthly covered employment for the specified period.

"Determinations with respect to the rate of insured unemployment in a State shall be made by the State agency on the basis of reports made by the State agency to the Secretary and in accordance with regulations prescribed by the Secretary, and determinations with respect to the rate of insured for all States shall be made by the Secretary on the basis of reports made by the State agencies to the Secretary and in accordance with regulations prescribed by the Secretary.".

(b) the amendment made in this section shall apply to "on" indicators and "off" indicators for all weeks which begin or end, as the case may be, after the last day of the first full calendar month after the date of enactment of this title.

SEC. 302. EXTENSION OF WAIVER OF 120 PERCENT REQUIREMENT AND REDUCTION OF NATIONAL TRIGGER FOR PURPOSES OF EXTENDED COMPENSATION PROGRAM

(a) The last sentence of section 203(e)(2) of the Federal-State Extended Unemployment Compensation Act of 1970, as amended by section 102(b) of the Emergency Compensation and Special Unemployment Assistance Extension Act of 1975, is amended by striking out "March 31, 1977" and inserting in lieu thereof "March 31, 1978".

(b) The last sentence of section 203(d) of the Federal-State Extended Unemployment Compensation Act of 1970, as amended by the Emergency Unemployment Compensation Act of 1974, is amended by striking out "December 31, 1976" and inserting in lieu thereof "March 31, 1978".

(c) The amendments made in this section shall take effect on the date of enactment of this title.

SECTION-BY-SECTION ANALYSIS—JAVITS-WILLIAMS UNEMPLOYMENT INSURANCE BILL

Section 1. Short Title.

Section 101. State and National "On" Indicators.—(a) Provides that regardless of whether the insured unemployment rate in a State equals or exceeds the 5% insured unemployment rate trigger, currently in existence for the emergency unemployment compensation program, there shall be a national trigger of 4.5% insured unemployment, which, if met, shall trigger the emergency unemployment compensation program "on" in all states entitling unemployed workers who are eligible to receive benefits under the program to up to 13 weeks of additional unemployment compensation under the emergency program. In order for an unemployed individual to be eligible to receive the maximum entitlement under the program, of up to 26 weeks of benefits, the current state trigger requirement of a state insured unemployment rate of 6% or higher would still have to be met.

(b) Alters the method of computation of the insured unemployment rate for purposes of determining whether the trigger requirements of the emergency unemployment compensation program are met by including in the number of persons considered to be unemployed, for the purposes of such calculation, an estimate of the number of persons who have exhausted their entitlement to regular and extended unemployment benefits under the applicable State unemployment insurance program, and who are still unemployed and seeking work.

(c) Requires the States, in making determinations of the insured unemployment rate, for the purposes of the emergency unemployment compensation program, to make such determinations based upon their reports of unemployment to the Secretary of Labor, pursuant to his regulations.

(d) Requires the Secretary of Labor, in making determinations of the insured unemployment rate, for the purposes of the emergency unemployment compensation program, to make such determinations on the basis of the reports of unemployment to the Secretary, by the States, pursuant to his regulations.

(e) This section is to be effective for all weeks which begin after the last day of the first full calendar month after enactment.

Section 102. State and National "Off" Indicators.—(a) Provides that the Emergency Unemployment Compensation program shall trigger "off" in any State in which the State insured unemployment rate is below 5% and the national insured unemployment rate is below 4.5% but that no State shall trigger "off" unless the program has been in effect in the State for a minimum period of 13 weeks.

(b) This section is to be effective for all weeks which end after the last day of the first full calendar month after enactment.

Section 103. Funding of Emergency Unemployment Benefits.—Provides that funds for the payment of emergency unemployment compensation shall continue to be advanced from the general treasury to the federal unemployment trust fund; however, such advances made for payment of emergency unemployment compensation to individuals on or after July 1, 1976 shall no longer be considered as repayable by the trust fund to the general treasury.

Section 104. Extension of Program.—Extends the emergency unemployment compensation program for an additional year, through March 31, 1978, and provides that individuals who become eligible to receive benefits under this program before that date may continue to receive such benefits through June 30, 1978.

Section 105. Assistance to Trainees.—Provides that in accordance with new section 102(h) and implementing regulations adopted by the Secretary of Labor, individuals who are participating in job training or retraining programs, as a requirement for continued eligibility for receipt of benefits under the emergency unemployment compensation program, pursuant to section 102(g) of the Emergency Unemployment Compensation Act of 1974, as amended or who are in approved training pursuant to provisions of the applicable State law meeting the requirements of section 3304(a)(8) of the Internal Revenue Code of 1954, or in training provided under the Comprehensive Employment and Training Act of 1973, shall, upon exhaustion of their entitlement to Emergency Unemployment Compensation, be entitled to receive additional weeks of compensation, so long as they continue to participate and make satisfactory progress in such training programs, for a maximum of 13 weeks. This provision is to be effective during any weeks in which the trigger requirements of either the emergency unemployment compensation program or the Federal-State extended unemployment benefits program are met in the applicable State, and for up to 13 weeks thereafter to assist an individual to continue in training.

Section 106. Modification of Agreements.—Requires the Secretary of Labor to modify his agreements with the States, made pursuant to section 102(a) of the Emergency Unemployment Compensation Act of 1974, to provide for the payment of the compensation provided for under this Act. If such modification shall fail to occur within six weeks of the effective date of this Act, the Secretary is required to terminate his agreement with that State, and the amendments in this title (except section 103) shall not become operative in the state.

Section 108. Rules and Regulations.—Authorizes the Secretary of Labor to promulgate rules and regulations for the purpose of implementing the Emergency Unemployment Compensation Act of 1974. This amendment is effective from the date of enactment of the Act.

Section 201. Extension of Special Unemployment Assistance Program.—Extends the special unemployment assistance program for an additional year, through December 31, 1977, and provides that individuals who become eligible to receive benefits under this program before that date may continue to receive such benefits through March 31, 1978.

Section 202. Assistance to Trainees.—Provides assistance to trainees under this section and implementing regulations adopted by the Secretary of Labor in the same circumstances as additional weeks of compensation are furnished to trainees under the amendment in section 105 of this Act. Upon exhaustion of their entitlement to benefits under the special unemployment assistance program, individuals will be entitled to receive additional weeks of assistance so long as they continue to participate and make satisfactory progress in approved training programs, for a maximum of 13 weeks. This provision is to be effective during any weeks in which there is in effect a special unemployment assistance period in the area in which the individual was last employed, and for up to 13 weeks thereafter to assist an individual to continue in training.

Section 203. Unemployment Assistance for Public Service Employees.—Provides that the States and political subdivision shall be reimbursed under the Special Unemployment assistance program for the costs of providing unemployment benefits to workers who are employed in public service employment pursuant to the Comprehensive Employment and Training Act. This provision applies to such employees who are employed by State or local government employers in the nine states which provide for mandatory or elective coverage of employees of such employers, and any such employers covered under a local unemployment compensation plan. It also applies with regard to employees employed in public service employment by non profit organizations, the employees of which are required to be covered under the applicable state unemployment insurance law by the Federal Unemployment Tax. (Public service employees employed by State and local governments in the other 43 States generally already receive unemployment assistance under the special unemployment assistance program. This amendment is effective with regard to weeks of unemployment beginning on and after January 1, 1976.

Payments under this authorization would be made on a monthly basis to the States, or to political subdivisions in the case of coverage under local unemployment compensation plans, on estimates made by the Secretary of Labor on the basis of reports made to the Secretary. The Secretary will certify his estimates to the Secretary of the Treasury, who will make the payments from the appropriation for special unemployment assistance. The amendment is effective with respect to compensation or assistance paid for weeks of unemployment that begin on and after January 1, 1976.

To avoid duplication of payments to the States and political subdivisions for the costs of unemployment insurance protection of public service employees, the States and political subdivisions are required to repay to employers who have reimbursed the State or political subdivision for any such benefits paid before the January 1 effective date, and may not charge the employers for benefits which are subject to payment by the United States. Also, an employer who is liable for contributions to the State or political subdivision with respect to public service employment must be repaid the amount of any contributions paid with respect to services performed in such employment on and after January 1, 1976, and in computing the contribution rates for any such employer the relevant factors in the computations may not take into account any element pertaining to public service employment or compensation paid which is the subject of a payment by the United States under this section. Adherence to these requirements by a State is not intended to impair certifiability for credits under sections 3303(b) and 3304 of the Federal Unemployment Tax Act, or certifiability of grants under title III of the Social Security Act.

Section 204. Rules and Regulations.—Authorizes the Secretary of Labor to promulgate rules and regulations for the purpose of implementing the special unemployment assistance program under Title II of the Emergency Jobs and Unemployment Assistance Act of 1974. This amendment is effective from the date of enactment of the Act.

Section 205. Modification of Agreements.—Requires the Secretary of Labor to modify his agreements with the States, made pursuant to section 202 of the Emergency Jobs and Unemployment Assistance Act of 1974, to provide for the payment of the assistance provided for under this Act. If such modification shall fail to occur within six weeks of the effective date of this Act, the Secretary is required to terminate this agreement with the State, and the amendments in section 101 and 102 shall not become operative in that State.

Section 301. Insured Unemployment Rate.—Alters the method of computation of the insured unemployment rate for the purposes of determining whether the trigger requirements of the Federal-State Extended Unemployment Compensation Act of 1970 are met, by including in the number of persons considered to be unemployed, for the purposes of such calculation, an estimate of the number of persons who have exhausted their entitlement to unemployment insurance benefits under the applicable State unemployment insurance program and the Federal-State extended benefits program, and who are still unemployed and seeking work.

Section 302. Extension of Waiver of 120 Percent Requirement and Reduction of National Trigger for Purposes of the Extended Compensation Program.—(a) Provides for continuation of the waiver of the requirement that, in order for a State to meet the trigger requirements of the Federal-State extended unemployment benefits program, its rate of insured unemployment must be 120% of such rate for the corresponding period in the previous two years. This waiver to continue to be effective through March 31, 1978.

(b) Provides for continuation of the reduction of the national trigger level of insured unemployment required for individual states to be triggered "on" for the purposes of the Federal-State extended unemployment benefits program from 4.5% to 4% through March 31, 1978.

EXHIBIT 1

TABLE I.—FSB EXHAUSTEE ESTIMATES—CALENDAR YEAR 1976

[Table reflects new estimates and data from the States Jan. 26, 1976]

	1976												
	January	February	March	April	May	June	July	August	September	October	November	December	Total
Total	192,120	189,860	194,358	175,293	167,927	168,111	181,119	153,051	144,680	141,782	130,862	119,457	1,958,620
Alabama	2,300	2,300	2,500	2,200	1,900	2,200	1,900	1,700	1,600	1,500	1,500	1,500	23,100
Alaska	75	60	100	45	130	90	80	125	90	120	80	160	1,155
Arizona	1,500	1,400	1,350	1,350	1,300	1,300	1,200	1,100	1,100	1,100	900	700	14,300
Arkansas	1,782	1,500	1,300	680	715	760	440	550	880	875	1,050	1,630	12,162
California	35,000	35,000	35,000	34,000	34,000	34,000	32,000	32,000	32,000	32,000	32,000	32,000	399,000
Colorado	290	320	300	40	0	0	0	0	0	0	0	0	950
Connecticut	3,200	2,900	4,200	3,400	3,000	3,500	2,800	2,700	2,700	2,600	2,800	2,900	36,700
Delaware	700	800	900	0	0	0	0	0	0	0	0	0	2,400
District of Columbia	700	800	900	0	0	0	0	0	0	0	0	0	2,400
Florida	9,100	8,900	8,700	8,500	8,300	8,100	8,000	7,800	7,600	7,400	7,200	0	89,600
Georgia	8,500	8,800	8,700	7,100	7,100	5,000	4,500	4,600	4,700	4,800	4,900	5,000	73,700
Hawaii	450	350	300	300	450	400	400	0	0	0	0	0	2,650
Idaho	170	150	120	130	140	180	210	160	100	40	0	0	1,400
Illinois	7,600	7,800	8,100	8,400	8,700	8,900	9,200	9,300	9,100	8,900	8,800	8,800	103,600
Indiana	8,210	5,470	2,740	0	0	0	0	0	0	0	0	0	16,420
Iowa	1,100	1,200	1,300	1,100	1,100	1,200	900	800	500	250	100	0	9,550
Kansas	690	700	780	100	0								2,270
Kentucky	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	16,800
Louisiana	2,150	1,960	1,825										5,935
Maine	500	520	810	1,000	900	780	760	570	650	525	485	380	7,880
Maryland	1,480	1,480	1,710	2,120	1,425	1,835	2,680	1,780	1,825	1,030	525	860	18,750
Massachusetts	9,000	9,500	10,500	11,000	11,000	14,000	37,000	17,000	13,000	10,000	7,000	7,000	156,000
Michigan	11,000	11,000	12,000	11,000	11,000	12,000	13,000	12,000	11,000	15,200	7,000	4,800	131,000
Minnesota	3,000	3,000	3,500	2,000	1,800	1,400	1,000	1,000	1,000	1,000	1,000	1,100	20,800
Mississippi	700	650	550	550	400	200	200	175	100	0	0	0	3,525
Missouri	4,200	4,500	6,000	5,400	3,800	2,700	3,400	2,700	2,300	1,600	1,400	1,000	39,000
Montana	210	180	160	200	100	200	280	290	270	300	240	320	2,750
Nebraska	867	714	612	612	561	510	510	450	408	102	102	102	5,550
Nevada	800	750	750	725	725	700	660	660	600	600	600	600	8,170
New Hampshire	200	230	300	350	350	350	225	100	50	50	30	20	2,255
New Jersey	12,700	12,300	12,000	11,900	11,700	11,600	11,400	11,300	11,100	10,800	10,700	10,500	138,000
New Mexico	451	491	536	331	206	171	179	116	57	20	0	0	2,558
New York	16,900	15,400	17,700	16,900	16,200	16,900	13,500	13,500	13,500	12,900	13,500	14,200	181,100
North Carolina	1,400	1,300	1,200	400	0	0	0	0	0	0	0	0	4,300

EXHIBIT 1—Continued

TABLE I.—FSB EXHAUSTEE ESTIMATES—CALENDAR YEAR 1976—Continued

[Table reflects new estimates and data from the States Jan. 26, 1976]

	1976												
	January	February	March	April	May	June	July	August	September	October	November	December	Total
North Dakota	50	70	40	10	10	70	30	60	60	80	60	70	610
Ohio	4,300	5,000	6,400	3,900	3,600	3,400	0	0	0	0	0	0	26,600
Oklahoma	1,600	1,500	1,600	0	0	0	0	0	0	0	0	0	4,700
Oregon	1,400	1,350	1,450	1,350	1,100	1,000	950	950	850	750	700	900	12,750
Pennsylvania	5,500	7,800	8,500	12,700	10,300	8,500	8,400	6,500	5,600	4,900	8,500	4,000	91,200
Puerto Rico	7,000	5,500	4,500	5,200	6,000	7,000	6,300	5,900	6,100	6,900	5,200	5,800	71,400
Rhode Island	1,800	1,600	1,600	1,600	1,600	1,600	1,800	1,600	1,600	1,600	1,600	1,800	19,800
South Carolina	4,500	5,000	5,500	5,000	5,000	4,500	4,500	3,000	2,000	1,700	1,500	1,500	43,700
South Dakota	150	150	100	0	0	0	0	0	0	0	0	0	400
Tennessee	4,200	4,400	4,600	4,600	4,500	4,400	4,200	4,000	3,800	3,700	3,600	3,400	49,100
Texas	3,300	2,750	1,350	0	0	0	0	0	0	0	0	0	7,400
Utah	560	430	210	50	0	0	0	0	0	0	0	0	1,250
Vermont	275	200	375	450	300	450	200	250	275	275	325	260	3,625
Virginia	990	1,150	1,300	0	0	0	0	0	0	0	0	0	3,440
Washington	3,800	4,200	4,500	4,200	4,100	3,800	3,900	4,000	3,900	3,900	3,200	3,400	46,900
West Virginia	350	400	450	450	500	500	500	400	350	350	350	350	4,950
Wisconsin	4,000	4,500	3,000	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	3,000	34,500
Wyoming	20	35	40	50	15	15	15	15	15	15	15	15	265

Source: Unemployment Insurance Service, U.S. Department of Labor, with data provided by States.

TABLE II. *Estimated number of FSB claimants who will not receive full entitlement in calendar year 1976 because of termination or reduction of FSB program by operation of "off" triggers in present law*

(Estimates prepared by State agencies)

Total	292,340
Alabama	27,500
Alaska	0
Arizona	0
Arkansas	3,950
California	0
Colorado	9,800
Connecticut	0
Delaware	2,800
District of Columbia	6,800
Florida	10,100
Georgia	0
Hawaii	0
Idaho	1,220
Illinois	3,000
Indiana	6,400
Iowa	24,000
Kansas	5,500
Kentucky	500
Louisiana	7,200
Maine	525
Maryland	14,000
Massachusetts	0
Michigan	7,000
Minnesota	5,000
Mississippi	400
Missouri	20,000
Montana	2,000
Nebraska	2,900
Nevada	0
New Hampshire	75
New Jersey	0
New Mexico	0
New York	0
North Carolina	4,900
North Dakota	530
Ohio	54,000
Oklahoma	6,500
Oregon	0
Pennsylvania	0
Puerto Rico	0
Rhode Island	0
South Carolina	7,800
South Dakota	500
Tennessee	0
Texas	40,000
Utah	1,890
Vermont	0
Virginia	8,400
Washington	0
West Virginia	0
Wisconsin	7,000
Wyoming	150

TABLE III.—SUA EXHAUSTEE ESTIMATES—CALENDAR YEAR 1976

[Table reflects new estimates and data from the States Jan. 26, 1976]

	1976												
	January	February	March	April	May	June	July	August	September	October	November	December	Total
Total	20,400	19,419	19,580	19,020	18,061	18,349	19,091	18,468	18,166	18,237	17,571	18,256	224,618
Alabama	475	500	400	340	300	300	325	300	280	350	340	300	4,210
Alaska	15	12	13	10	11	17	14	10	20	18	16	25	181
Arizona	150	150	150	150	150	150	150	150	150	150	150	105	1,800
Arkansas	1,080	870	620	325	350	1,080	620	310	260	455	715	1,280	7,965
California	2,800	2,800	2,800	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	35,400
Colorado	29	29	29	29	29	29	29	29	29	29	29	31	350
Connecticut	390	290	230	240	230	200	180	180	160	280	240	200	2,820
Delaware	8	8	8	8	8	8	8	8	8	8	8	8	96
District of Columbia	10	10	5	5	5	10	5	5	10	5	5	5	80
Florida	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
Georgia	800	650	610	400	240	480	600	620	600	480	480	480	6,440
Hawaii	10	10	10	10	10	10	10	10	10	10	10	10	120
Idaho	30	50	130	130	200	20	60	30	70	150	80	40	990
Illinois	540	560	530	510	490	480	460	440	430	410	400	390	5,640
Indiana	600	500	600	600	500	400	700	900	1,000	600	400	600	7,400
Iowa	50	150	200	150	150	90	80	70	50	25	25	20	1,060
Kansas	105	95	95	120	170	150	150	70	55	60	65	65	1,200
Kentucky	175	175	175	175	175	175	175	175	175	175	175	175	2,100
Louisiana	600	600	600	600	600	600	600	600	600	600	600	600	7,200
Maine	230	240	380	470	420	370	360	270	240	220	200	300	3,700
Maryland	165	165	365	335	270	165	165	510	670	670	170	170	3,820
Massachusetts	600	800	1,000	800	600	500	600	500	700	800	600	500	8,000
Michigan	600	500	500	500	500	500	500	500	500	500	500	500	6,100
Minnesota	130	140	140	150	160	150	130	100	100	100	100	100	1,500
Mississippi	310	213	106	100	188	229	281	202	230	283	225	248	2,615
Missouri	600	700	600	400	400	300	200	200	100	100	100	200	4,000
Montana	87	87	87	87	87	87	87	87	87	87	87	93	1,050
Nebraska	61	61	61	61	58	53	52	45	51	51	51	61	666
New Hampshire	25	30	45	20	15	10	10	10	10	15	15	20	225
New Jersey	650	630	620	610	600	580	650	560	550	530	520	500	7,000
New Mexico	54	53	45	39	29	40	189	21	10	90	125	110	305
New York	1,500	1,350	1,550	1,500	1,450	1,450	1,500	1,500	1,500	1,400	1,400	1,550	17,650
North Carolina	550	530	500	450	420	400	350	350	330	300	320	350	4,850
North Dakota	85	85	85	85	85	85	85	85	85	85	85	85	1,020
Ohio	200	200	200	200	200	200	200	200	200	200	200	200	2,400
Oklahoma	300	275	250	300	300	300	300	300	300	275	275	275	3,450
Oregon	90	90	110	110	100	80	70	60	50	70	80	90	1,000
Pennsylvania	550	475	375	250	225	225	200	150	150	200	250	275	3,320
Puerto Rico	2,000	1,500	1,400	1,300	1,550	1,700	2,100	2,200	1,800	1,900	1,850	1,700	21,000
Rhode Island	200	150	100	150	100	100	150	150	100	100	100	100	1,500
South Carolina	180	180	180	190	190	190	250	250	250	220	220	220	2,520

	1976												
	January	February	March	April	May	June	July	August	September	October	November	December	Total
South Dakota	80	90	110	140	110	100	90	70	60	60	60	60	1,030
Tennessee	500	600	600	500	500	500	500	400	350	325	325	300	5,400
Texas	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
Utah	100	100	100	100	100	100	100	100	100	100	100	100	1,200
Vermont	70	75	175	725	145	85	85	70	65	80	100	80	1,755
Virginia	75	110	150	100	100	75	75	75	100	120	125	140	1,145
Washington	375	375	375	375	375	375	375	375	375	375	375	375	4,500
West Virginia	35	35	35	40	45	50	50	50	45	45	45	45	525
Wisconsin	110	100	110	110	100	130	200	150	130	110	110	110	1,400
Wyoming	21	21	21	21	21	21	21	21	21	21	20	20	250

Source: Unemployment Insurance Service, U.S. Department of Labor, with data provided by States.

NEW HOPE FOR JOBLESS AMERICANS: A BILL TO EXTEND UNEMPLOYMENT ASSISTANCE

Mr. WILLIAMS. Mr. President, it is with a sense of urgency and concern that I join today with the Senator from New York (Mr. JAVITS) in introducing S. 3262, the Emergency Unemployment Compensation and Special Unemployment Assistance Amendments of 1976.

In the midst of all of the legislative imperatives of the current congressional session, a certain complacency may develop about the plight of the jobless in times that remain exceedingly difficult for them. In some quarters, complacency has already crept in; the miniscule decline in the official national unemployment rate in March has been interpreted by some as a strong signal that the economy can recover and swiftly absorb the unemployed.

This view is clearly in error. All of the good estimates of leading economists foretell unemployment above 6 percent throughout 1976 and 1977. At any point in time over the next 18 months, no fewer than 5 million persons will be counted as unemployed; another millon or more will be equally jobless, but not counted as unemployed because they have given up hope of finding work. Still another million or more will be working part-time because of economic constraints.

It is toward these victims of economic misfortune and the 10 million members of their families that we direct our concern with this bill. However vigorous the economic recovery—and the Senate Budget Committee has recommended a modest growth rate of only 6 percent for fiscal 1977—millions of Americans will endure great difficulty in finding a job for many, many months.

In December of 1974, when the unemployment rate was nearly a half-percent lower than it is today, the Congress deemed it necessary to enact two emergency programs of unemployment assistance. In each case, it was our conviction that the existing programs could not adequately cope with excessively high and prolonged unemployment on a scale that rivaled the level of joblessness in the Great Depression. Explicitly noted was the fact that unemployed persons would require much more time to find work in the tight and highly competitive job markets that occur in times of recession.

For this reason, the regular and extended unemployment compensation benefit period, totalling 39 weeks for workers in insured employment, was supplemented by an additional 26 weeks of Federal supplemental benefits—FSB. The supplemental benefits are now scheduled to expire on March 31, 1977; unemployment at that time, according to recent estimates, will range between 6.5 and 7 percent.

It must also be noted that long-term unemployment has been increasing, while the overall unemployment rate has declined in recent months. More and more persons are being forced to search longer and longer for the available jobs. Many of them exhaust their unemployment compensation benefits without finding work. Clearly, the principles that underlay the action of the Congress in December 1974 are as valid today, if not more so, than on the day the FSB program was enacted.

The other program enacted in December 1974, was designed to provide income support for some 12 million workers who are employed in uninsured jobs. For the most part, this group comprises farm workers, State and local government employees, and domestic workers. Initially, these workers were provided with special unemployment assistance—SUA—for up to 26 weeks of unemployment. In June 1975, the benefit period was extended to 39 weeks. The SUA program is now scheduled to expire on December 31, 1976.

Mr. President, the Ways and Means Committee of the House has reported legislation to bring 9.5 million of these uninsured workers under the regular coverage of the unemployment compensation system. I welcome that decision, and I hope that it meets with the approval of the Congress.

It is important to recognize, however, that this legislation could not be implemented in the States until well into 1977, and a date of January 1, 1978, seems to be a more realistic target date. To prevent a lapse in coverage for these workers, I am confident that the Congress will agree to an extension of the SUA program until the new program of coverage is in place.

The bill we introduce today provides for these extensions, authorizing continuation of FSB and SUA payments to the unemployed for an additional year in each case.

I would emphasize, Mr. President, that the Senate Budget Committee has allowed in the first concurrent resolution on the budget for a continuation of these programs throughout fiscal 1977.

In addition, the bill provides for persons engaged in approved job training to continue to receive their weekly benefits for an additional period of up to 13 weeks, or until their training is completed, whichever occurs first. In many cases, a trainee could not have enrolled in a training program without the assurance of a regular, minimal weekly income to sustain him. In providing up to 13 additional weeks of benefits, it is our intention to preserve the incentive that directed him or her into training for the purpose of developing skills that enhance prospects for permanent employment.

The bill also provides for a modification of the unemployment rate triggers that are used to determine the duration of FSB benefits payable in each of the several States. We propose a uniform national trigger of 4.5 percent insured unemployment rate as the level of which 13 weeks of FSB—or a total of 52 weeks of benefits—would be payable in all States. States where insured unemployment exceeds 6 percent would be eligible to pay benefits under FSB for 26 weeks—or a total of 65 weeks.

In the event the national trigger rate declines below 4.5 percent, the State-by-State triggers would remain in effect, providing 13 weeks of FSB in States with insured unemployment in excess of 5 percent and 26 weeks in States where insured unemployment exceeds 6 percent. The training allowances provided in the bill would be in addition to the duration of benefits as determined by the triggers.

We have also proposed legislation in this bill to strengthen the method for determining insured unemployment, taking into account for the first time the workers who have exhausted their benefits but have not yet found work. With this change, the insured unemployment rate would much more accurately reflect conditions in the job market of each State, assuring that when job competition is high an unemployed worker will have additional time for his job search.

The bill also provides for funding of the FSB program with general revenues, rather than the Federal tax on employers. This nationwide recession is a problem for all Americans and should not be laid on the shoulders of employers for years to come.

Finally, the bill includes provisions to provide Federal coverage for workers employed in public service jobs programs under the Comprehensive Employment and Training Act. The House has passed, and the Senate Committee on Labor and Public Welfare is considering, proposals to establish emergency employment projects with private nonprofit organizations among the eligible sponsors.

In addition, nine States now provide unemployment insurance coverage for

public service employees of State and local government; in the other States, unemployed CETA workers are covered by the national special unemployment assistance program. In these nine States, as well as in the case of private nonprofit sponsors, funds intended to pay the wages and fringe benefits of workers have to be diverted and reserved to pay unemployment benefits at some point in the future. Since the emergency public service jobs programs are temporary under law, they will terminate without question, and the terminated employees will be eligible for unemployment assistance. The bill insures that these benefits will be paid by the Federal Government from funds allocated for that purpose, and not from funds intended to provide meaningful employment for workers who have no other hope of a job.

Mr. President, this bill and the existing statutes that it amends should not be considered as a permanent solution to the problems that have come to light in our income maintenance programs as a result of the severe stresses imposed by the recession. I believe we have taken some steps toward permanent provisions, and I hope that we have laid at least part of the foundation for the future.

But there is a great deal more to be done, before we can be confident that the unemployment insurance system of this Nation is sufficiently strengthened to cope with excessively high and prolonged unemployment. Legislation aimed toward this goal has been reported to the House of Representatives by the Ways and Means Committee, and I am confident that the Senate will have the opportunity to consider that bill, H.R. 10210, in early summer.

I urge my colleagues to look favorably upon the bill that we introduce today, and I urge them to join with me in committing the Senate to acting upon permanent reforms of the unemployment insurance system while the plight of millions of unemployed Americans is still clearly in view.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 110

At the request of Mr. INOUYE, the Senator from Florida (Mr. STONE) was added as a cosponsor of S. 110, the widow dependency legislation.

S. 1395

At the request of Mr. THURMOND, the Senator from Texas (Mr. BENTSEN) was added as a cosponsor of S. 1395, a bill to amend title 10 of the United States Code, to provide for an exclusive remedy against the United States in suits based upon medical malpractice on the part of active duty medical personnel, and for other purposes.

S. 1776

At the request of Mr. HUGH SCOTT, the Senator from South Carolina (Mr. THURMOND) was added as a cosponsor of S. 1776, a bill to establish the Valley Forge National Historical Park in the Commonwealth of Pennsylvania.

S. 2845

At the request of Mr. MCINTYRE, the Senator from New Hampshire (Mr. DURKIN) was added as a cosponsor of S. 2845, a bill to reorganize the activities of the Federal Government to provide small business concerns and individual inventors with increased opportunities to participate in the activities carried out by the Energy Research and Development Administration, and for other purposes.

S. 2886

At the request of Mr. INOUYE, the Senator from New Mexico (Mr. MONTOYA) was added as a cosponsor of S. 2886, a bill to provide for a greater utilization of the professional services of licensed psychiatric nurses in the medicare and medicaid programs.

S. 3036

At the request of Mr. STONE, the Senator from Minnesota (Mr. HUMPHREY) was added as a cosponsor of S. 3036, a bill to amend title XVIII of the Social Security Act to authorize payment under the medicare program for certain services performed by chiropractors.

S. 3113

At the request of Mr. BARTLETT, the Senator from Arizona (Mr. GOLDWATER) was added as a cosponsor of S. 3113, a bill to amend the Congressional Budget Act of 1974 to require that concurrent resloutions on the budget recommend levels of Federal revenues not lower than the appropriate levels of total budget outlays.

S. 3165

At the request of Mr. PELL, the Senator from Oregon (Mr. HATFIELD) and the Senator from South Carolina (Mr. THURMOND) were added as cosponsors of S. 3165, a bill to establish a national marine science and technology policy for the United States, and to extend the national sea grant program.

S. 3222

At the request of Mr. DURKIN, the Senator from New Mexico (Mr. MONTOYA) was added as a cosponsor of S. 3222, a bill to amend the Veterans Readjustment Benefits Act.

S. 3226

At the request of Mr. BURDICK, the Senator from New Mexico (Mr. MONTOYA) was added as a cosponsor of S. 3226, a bill to amend title 38 of the United States Code to remove the time limitations within which programs of education for veterans must be completed.

SENATE JOINT RESOLUTION 45

At the request of Mr. INOUYE, the Senator from Rhode Island (Mr. PASTORE) was added as a cosponsor of Senate Joint Resolution 45, the Municipal Clerk's Week legislation.

SENATE JOINT RESOLUTION 179

At the request of Mr. BARTLETT, the Senator from Indiana (Mr. HARTKE) was added as a cosponsor of Senate Joint Resolution 179, a joint resolution to authorize the President to issue a proclamation designating July 2, 1976, a "National Bicentennial Day of Prayer of Thanksgiving and Guidance."

SENATE RESOLUTION 197

At the request of Mr. LEAHY, the Senator from Utah (Mr. GARN) was added as a cosponsor of Senate Resolution 197, a resolution to establish a Select Committee on Federal Responsiveness and Accountability.

SENATE RESOLUTION 307

At the request of Mr. LEAHY, the Senator from Utah (Mr. GARN) was added as a cosponsor of Senate Resolution 307, a resolution amending the Standing Rules of the Senate to require committee reports to contain assessments of the language of bills and joint resolutions, in relation to legislative goals.

SENATE RESOLUTION 413

At the request of Mr. RIBICOFF, the Senator from New Jersey (Mr. CASE) and the Senator from South Carolina (Mr. THURMOND) were added as cosponsors of Senate Resolution 413, a resolution regarding the freedom of the press at the Olympic Games.

SENATE CONCURRENT RESOLUTION 105

At the request of Mr. BROOKE, the Senator from California (Mr. CRANSTON) and the Senator from Minnesota (Mr. MONDALE) were added as cosponsors of Senate Concurrent Resolution 105, a concurrent resolution expressing the sense of the Congress regarding democracy in Italy and participation by Italy in the North Atlantic Treaty Organization.

SENATE RESOLUTION 422—SUBMISSION OF A RESOLUTION AMENDING THE STANDING RULES OF THE SENATE WTH RESPECT TO UNANIMOUS-CONSENT REQUESTS

(Referred to the Committee on Rules and Administration.)

Mr. HUGH SCOTT submitted the following resolution:

S. Res. 422

Resolved, That the Standing Rules of the Senate are amended by adding at the end thereof the following new rule:

"RULE XLV

"UNANIMOUS-CONSENT REQUESTS

"1. Except as provided by paragraph 2, a request for unanimous consent made by a Senator must be made by that Senator orally.

"2. Paragraph 1 shall not apply to a request for unanimous consent to have matter printed in the Congressional Record or to add cosponsors to a bill, resolution, or amendment.".

AMENDMENTS SUBMITTED FOR PRINTING

TAX REFORM ACT OF 1975—H.R. 10612

AMENDMENT NO. 1562

(Ordered to be printed and referred to the Committee on Finance.)

Mr. HASKELL submitted an amendment intended to be proposed by him to the bill (H.R. 10612) to amend the Internal Revenue Code of 1954 to repeal accelerated depreciation.

(The remarks of Mr. HASKELL when he submitted the amendment appear earlier in today's RECORD.)

AMENDMENTS NOS. 1563 THROUGH 1569

(Ordered to be printed and referred to the Committee on Finance.)

Mr. BUMPERS. Mr. President, I send

to the desk seven amendments intended to be proposed to H.R. 10612, entitled "The Tax Reform Act of 1975," which has passed the House and is now pending before the Committee on Finance.

The purpose and effect of these proposals are described in my testimony before the Committee on Finance, delivered on March 19. This testimony was a modest attempt on my part to inject an additional measure of reform into the House-passed bill. I am hopeful that the Committee on Finance will carefully consider these proposals that I have made, and I am introducing them today in the form of printed amendments in order to facilitate that consideration.

A number of these amendments are not original with me. They are based upon years of experience and advocacy in the tax-reform field. They are nonetheless, in my view, worth fighting for. Correspondence coming to my office, and I am sure that other Members have the same experience, is full of complaints about the inequities, complexities, and oppressiveness of the Internal Revenue Code. My preference, Mr. President, would be to junk H.R. 10612 and start from the ground up to draft a bill containing a much larger measure of tax reform and simplification. In view of the fact that tax bills originate in the House and that the Senate is, as a practical matter, limited to amending House proposals, it may not be practical for the Senate to originate such a movement, but surely we can consider a number of important changes in H.R. 10612, and it is in that spirit that I submit this group of amendments today.

I ask unanimous consent that a portion of my testimony before the Committee on Finance, explaining the amendments, be printed in the RECORD immediately following the text of the amendments.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. (See exhibit 1.)

Mr. BUMPERS. Mr. President, I would like to acknowledge my debt to the Senator from Colorado (Mr. HASKELL) for one of the amendments that I am submitting today, the amendment relating to the foreign tax credit in respect of income derived from the extraction, production, or refining of oil or gas. My proposal is patterned after an amendment proposed on the floor of the Senate by the Senator from Colorado on March 19, 1975, during our consideration of H.R. 2166, which later became the Tax Reduction Act of 1975, Public Law 94–12. The Haskell amendment, in turn, was based on a bill, S. 512, introduced by Mr. HASKELL in the 1st session of Congress, as well as upon a similar bill, S. 3095, introduced in the 2d session of the 93d Congress by the Senator from Idaho (Mr. CHURCH), the Senator from Colorado (Mr. HASKELL), and seven others.

After a fairly extensive discussion on the floor, the Senator from Colorado withdrew his amendment, partly because of his expectation that similar proposals would be embodied in H.R. 6860, the energy tax bill then being considered by the Committee on Ways and Means, and that this bill would be an appropriate vehicle for considering far-reaching changes in the foreign tax credit. As the Senate knows, H.R. 6860 did eventually pass the House and was referred to the Committee on Finance, where it remains today. The bill is largely out of date, having been superseded in many respects by S. 622, which became the Energy Policy and Conservation Act of 1975, Public Law 94–163, and I suppose it is probable that H.R. 6860 will not be acted on in this body. Much of the need for the bill, certainly, is past.

The present tax-reform bill, H.R. 10612, is, therefore, an appropriate occasion for raising again the question of the foreign tax credit. I might remind Members of the Senate that on March 19, 1975, amendment No. 162 of the Senator from Indiana (Mr. HARTKE) was agreed to by voice vote. This amendment, a more sweeping proposal than the one I make today, converted the foreign tax credit entirely to a deduction. As H.R. 2166 was eventually reported back from the committee of conference and signed into law, much of the force of the Hartke amendment was lost, however.

I therefore urge that this question be now considered anew and that forthright action be taken to close this gaping loophole.

Mr. President, I ask unanimous consent that the seven amendments be printed in the RECORD.

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

AMENDMENT NO. 1563

On page 237, after line 24, insert a new Section 1036 as follows:

"SEC. 1036.—LIMITATION ON CREDIT FOR CERTAIN SUMS PAID TO FOREIGN GOVERNMENTS.—Section 903 of the Internal Revenue Code of 1954 (relating to definition of creditable taxes) is amended to read as follows:

"(a) IN GENERAL.—For purposes of this subpart and Sections 164(a) and 275(a), the term 'income, war profits, and excess profits taxes' means a tax paid in lieu of a tax on income, war profits, or excess profits otherwise generally imposed by any foreign country or by any foreign possession of the United States.

"(b) ROYALTIES.—

"(1) IN GENERAL.—For purposes of this subpart and Sections 164(a) and 275(a), in the case of taxes paid or accrued to any foreign country with respect to income derived from the extraction, production, or refining of oil or gas in such country, the term 'income, war profits, and excess profits taxes' does not include any amount paid as a royalty.

"(3) DETERMINATION WHETHER A PAYMENT IS A ROYALTY OR A TAX.—In the case of any foreign country which imposes an income, war profits, or excess profits tax on income from activities other than the extraction, production, or refining of oil or gas in that country, any part of a payment made to that country as an income, war profits, or excess profits tax which is not reasonably similar (in terms of the rate of tax, of the amount of tax paid for the income or profits involved, of the base on which the tax is computed, or otherwise) to the amount payable with respect to income or profits arising out of other activities, as determined by the Secretary or his delegate, is considered to be a royalty payment. In the case of any other foreign country, any part of a payment made to that country as an income, war profits, or excess profits tax which is determined by the Secretary or his delegate, on account of the manner in which it is determined, the rate of tax, the amount of tax paid for the income or profits involved, the basis on which the tax is computed, or any other reason, to constitute the payment of a royalty is considered to be a payment.

"(b) EFFECTIVE DATE.—This Section shall be effective with respect to taxable years commencing on or after the date of enactment of this Act."

AMENDMENT NO. 1564

On page 381, strike lines 9 through 19, being subsection (d) of Section 1403 of the bill.

AMENDMENT NO. 1565

On page 137, after line 2, insert the following:

"(b) DEDUCTIBILITY OF AIR TRAVEL EXPENSES.—Section 274 is amended by redesignating subsection (i) as subsection (j) and inserting after subsection (h) a new subsection (i) as follows:

"(i) No deduction shall be allowed under Section 162 or Section 212 for any expense paid or incurred for the transportation of any person by commercial airplane in excess of the retail price of a coach class fare ticket for such person on the same airline to the same destination at the same time of day and at the same time of year, as determined by the Civil Aeronautics Board and reported to the Secretary or his delegate."

And renumber subsection (b) on line 3 of page 137 as subsection (c).

AMENDMENT NO. 1566

Strike new subsection (h) of Section 274, beginning on line 11 of page 132, and continuing through line 2 of page 137, inclusive, and insert in lieu thereof the following:

"(h) FOREIGN CONVENTIONS.—

"(1) DISALLOWANCE OF DEDUCTIONS FOR FOREIGN CONVENTIONS.—No deduction allocable to attendance at any foreign convention shall be allowed under Section 162 or Section 212, in the case of any taxpayer who is a resident of the United States.

"(2) DEFINITION.—The term 'foreign convention' means any convention, seminar, or similar meeting held outside the United States, its possessions, and the Trust Territory of the Pacific, except conventions, seminars, or similar meetings held by organizations a majority of whose members are not residents of the United States."

AMENDMENT NO. 1567

Strike Section 204 of the bill in its entirety, being page 54, line 5, through page 59, line 10, inclusive.

AMENDMENT NO. 1568

On page 15, line 21, after the word "grain," insert the following: "rice, soybeans".

AMENDMENT NO. 1569

On page 15, line 22, strike the words "other than" and insert in lieu thereof "including."

EXHIBIT 1

EXTRACT FROM STATEMENT OF SENATOR BUMPERS BEFORE THE COMMITTEE ON FINANCE WITH RESPECT TO H.R. 10612

Mr. Chairman, I appreciate very much the opportunity to appear before the Committee on Finance and offer a few observations on H.R. 10612, entitled The Tax Reform Act of 1975.

Before addressing some of the specific issues that the bill raises, I would like to offer a general comment. The title of the bill, The Tax Reform Act of 1975, is unfortunately a misnomer. Although the bill would result in increasing federal revenues for calendar year 1976 by about $1.3 billion, and although certain so-called loopholes would be closed or narrowed by some of the bill's provisions, it is by no means a "re-

form" measure. It simply adds to the already almost incomprehensible complexity of the Internal Revenue Code.

A glance at any section of the bill will reveal that it is honeycombed with special exceptions, carefully tailored effective dates, and special-interest rules. As a matter of fact, each section of the bill seems to have been prepared with particular individual or corporate taxpayers in mind. The Internal Revenue Code, instead of being a simple and reasonably straightforward device for raising revenues to support the operations of the federal government, has instead become a mass of unintelligible rules, many of which are designed to encourage or discourage certain conduct that either does or does not appear to have social value. The taxing statute, in other words, has become a vehicle for almost everything except taxation, and if I could leave one point with the Committee in my testimony today, it would be that H.R. 10612 should be scrapped. It would be better for the Committee to start anew from the ground up and produce a true reform measure, beginning the difficult and painful process of streamlining the Internal Revenue Code so that it is fair and understandable.

It is easier to talk about this task than to accomplish it, of course, but we have to start somewhere, and today is as good a time as any.

I would like to comment on just a few of the provisions I consider to be seriously flawed in H.R. 10612. I am concerned first of all, about the provisions of the bill on limitation of artificial losses, known in taxing jargon as LAL. In the case of farm operations, for example, Section 101 defines "artificial losses" to include prepaid feed, seed, and fertilizer expenses, accelerated depreciation of livestock, and expenses incurred for certain crops. Artificial losses include expenses incurred for crops, animals, or trees before the period of production. But the bill continues then to except from this new provision livestock other than poultry.

I fully understand and sympathize with the general purpose of these proposals. They discourage persons with high non-farm income from using farms as tax shelters. Real economic losses from farms, for example, current expenses of production, could still be deducted against any kind of income, farm or non-farm, but by omitting poultry from the exception for livestock, the bill discriminates against an important agricultural interest of Arkansas.

Mr. Chairman, I can see no economic or tax-policy reason for distinguishing poultry from livestock with respect to the deductibility of artificial losses. If the loophole is going to be closed, it ought to be completely closed, and if it is going to be left open, it should be left open for all crops and agricultural pursuits without unreasonable distinction. As a matter of fact, this group of provisions is an excellent example of what is wrong with the Internal Revenue Code. The statute has become a lacy filigree of special-interest exceptions and carefully tailored grandfathering dates. For example, the LAL provisions do not apply to that portion of a grove, orchard, or vineyard planted before September 11, 1975.

I suggest, therefore, that new Section 468 (c)(1)(B)(ii) be amended by adding rice and soybeans to the favored group of crops, and that new Section 468(c)(1)(B)(iv) be amended by striking out the words "other than poultry."

Mr. Chairman, Section 204 of the bill, which would add a new Section 447 to the Code, contains similarly objectionable special rules. In general, the new section would prohibit farming corporations from using the cash basis of accounting. Their taxable income would have to be computed on the accrual method. In passing, I might say that I see little justification for such a special rule as to farming corporations. The Commissioner of Internal Revenue already has the authority under existing law to disallow the use of any basis of accounting that he finds does not clearly reflect income, and I do not understand why this authority is not sufficient to cure any distortion of income that may now be taking place in the tax returns of farming corporations of other taxpayers. After all, an expense paid and deducted in one year will normally be compensated for by income earned the next year.

Beyond that, the proposed new Section 447 is not a simple prohibition of the use of the cash basis for all farming corporations. If it were that straightforward, it would perhaps be defensible. The proposal, however, in a manner typical of the approach of this bill to taxation, contains a number of exceptions. A corporation, for example, could continue to use the cash basis, if it wishes, if two-thirds of its stock is owned by members of the same family. There then follows, in proposed new Section 447(c), an extensive definition of the term "family," and, in proposed new Section 447(d), special rules under which two families, for tax purposes, can be treated as one.

And why, one may ask, would Congress want to specify instances in which two families are considered as one, any more than we might want to include in the Tax Code a series of special circumstances in which the moon shall become the sun or vice versa. The answer, I suspect, is that some small group of taxpayers wanted to preserve its own option to use the cash basis and has done so not by a frontal attack upon the principle of proposed new Section 447 itself, but by securing adoption of a carefully structured special-interest exception.

The trouble, Mr. Chairman, is that all of these exceptions, even if justifiable in the case of the individual taxpayers whom they benefit, cut two ways. That is, farming corporations which do not, for one reason or another, fall within the precise terms of the exceptions, may be placed at a disadvantage with respect to other farming corporations with whom they compete and which do fall within the exceptions.

The proper solution, it seems to me, is that all of Section 204 be stricken. In this way, the problem of structuring special exemptions for certain taxpayers can be avoided altogether, and farming corporations, in common with other business corporations, could continue to use whatever basis of accounting clearly reflects their income.

Mr. Chairman, Section 602 of the bill, relating to deductions for the expense of attending business meetings outside the United States, is a step in the right direction, but in my opinion it does not go nearly far enough. Under Section 602, for example, taxpayers would be allowed to deduct the cost of attending two foreign conventions per year, and their transportation expenses could be deducted only up to the cost of coach air fare. I frankly do not see why any deductions should be allowed for attending conventions, seminars, or conferences out of the country.

There is rarely a genuine business purpose for holding a business meeting abroad. Usually they are just excuses for wealthy professional people to take a deductible vacation. Again, persons should be perfectly free to travel without as well as within the United States, but I cannot understand why the general body of low and moderate income taxpayers should have to subsidize this travel for higher income persons who could afford to go on their own. I suggest, therefore, that Section 602 be rewritten to prohibit this kind of deduction altogether.

In addition, for many of the same reasons, all deductions for air fare should be limited to the cost of coach tickets. S. 1698, which I am co-sponsoring and which is now pending before this Committee, would accomplish this result, and I urge that provisions of S. 1698 be attached by way of amendment to Section 602 of H.R. 10612.

Section 1035 of the bill relates to the tax treatment of foreign taxes on oil and gas extraction income, and this would be an appropriate opportunity, it seems to me, to raise again the whole question of abuse of the foreign tax credit. I have no quarrel with the general proposition, long recognized in the law, that income should not be subject to double taxation. There should be a credit allowed, in other words, for amounts paid to foreign governments that are truly income or excess-profits taxes, and this is in fact what the statute now says and has said for a long time. Rulings of the Internal Revenue Service, however, are permitting the crediting of certain payments to foreign governments that are in fact royalties, not taxes. These payments are measured not by net income or profit from foreign operations, but by the artificial posted price for oil, reduced by a few relatively insignificant deductions.

I suggest, therefore, that existing law on the creditability of foreign income taxes be clarified to provide that payments that are actually royalties or gross-income taxes not be eligible for the credit.

This simple change, which is in full accord with the spirit of the statute as it presently exists, would produce several hundreds of millions of dollars of revenue each year and would greatly increase the respect of the ordinary taxpayer for the equity and fairness of the law. It would also remove a serious disincentive for domestic exploration and production of energy resources. At the present time, because of the structure of the tax laws, it makes much more economic sense for an oil company to explore in foreign lands than here in the United States. Changing the rules for the foreign tax credit in this way would simply continue the work that we began last year in the Tax Reduction Act, Public Law 94–12, by eliminating the foreign percentage depletion allowance.

Finally, Mr. Chairman, I would like to comment on Section 1403 of the bill. This Section would gradually increase the holding period required for a capital gain or loss to be long term from six months to one year. The large difference in rates between ordinary income and long term capital gain, of course, makes the holding period extremely important. For some reason, however, Section 1403(d) provides that the six-month holding period shall be retained in the case of futures transactions in any commodity subject to the rules of a Board of Trade or Commodity Exchange.

Speculation in futures, Mr. Chairman, is entirely lawful and, according to some, serves useful economic purposes. I cannot understand, however, why this kind of investment should be favored by retention of the six-month holding period, when all other kinds of assets are going to lose that privilege. I suggest, therefore, that Section 1403(d) be stricken from the bill.

Mr. Chairman, I appreciate very much the indulgence of the Committee in allowing me to share some of my impressions with regard to tax policy in general and H.R. 10612 in particular. I would appreciate very much whatever consideration the Committee can give to the changes in the bill I have suggested. Thank you for hearing me out.

PUERTO RICO FEDERAL RELATIONS ACT AMENDMENT—S. 2998

AMENDMENT NO. 1570

(Ordered to be printed and referred to the Committee on Interior and Insular Affairs.)

Mr. JACKSON submitted an amendment intended to be proposed by him to the bill (S. 2988) to amend the Puerto Rico Federal Relations Act.

Mr. JACKSON. Mr. President, at the

request of my good friend and colleague, Virgin Islands Delegate RON DE LUGO, I am today submitting legislation which makes clear that all taxes collected under the Internal Revenue Code on petroleum products refined in the Virgin Islands and transported to the United States shall be included in determining the amount of quarterly payments to the Virgin Islands, as authorized under existing law.

This amendment would also authorize payment to the Virgin Islands, over a 5-year period, of amounts which would have been paid had this legislation been in effect. The amount involved is approximately $100 million.

Mr. President, the reason for this legislation is simple. Section 28(b) of the Virgin Islands Revised Organic Act, as codified under the Internal Revenue Code as section 7652(b), provides in part:

. . . the Secretary or his delegate shall determine the amount of all taxes imposed by, and collected during the quarter under, the internal revenue laws of the United States on articles produced in the Virgin Islands and transported to the United States. The amount so determined less 1 percent and less the estimated amount of refunds or credits shall be subject to disposition as follows:

(A) There shall be transferred and paid over, as soon as practical after the close of the quarter, to the government of the Virgin Islands from the amounts so determined a sum equal to the total amount of the revenue collected by the government of the Virgin Islands during the quarter, as certified by the Government Comptroller of the Virgin Islands.

Congress enacted this provision "to increase the financial self-sufficiency of the territory" and today it represents one of the cornerstones of the fiscal relationship between the Virgin Islands and the United States. In recommending such a provision in a report to the Senate Interior Committee in 1954, Chief Judge Albert B. Maris of the U.S. Court of Appeals for the Third Circuit wrote:

For it is true that these unincorporated territories not destined for statehood are being taxed without any present or future hope of representation. It seems democratic and fair, therefore, that any taxation imposed upon them by Congress ought to be for their own benefit and subject to disposition by their own elected representatives. Report of Albert B. Maris, Senate Report No. 1271, Apr. 29, 1954 (To accompany S. 3378) U.S. Code Congressional and Administrative News, 83rd Congress, Second Session, 1954, p. 2613.

For several years, internal revenue taxes collected on rum manufactured in the Virgin Islands and shipped to the United States have been returned to the treasury of the Virgin Islands. Since 1966 substantial volumes of gasoline refined in the Virgin Islands have been shipped to the U.S. mainland for consumption, but the U.S. Treasury Department has never rebated the 4 cents per gallon manufacturers' excise tax. For fiscal years 1966–75, the amount of this tax collected is approximately $100 million. Prospectively, the amount collected would be in the range of $25 to $40 million a year.

Mr. President, there is nothing in the language or the legislative history of section 28(b) of the Revised Organic Act of the Virgin Islands, as codified in the Internal Revenue Code, which indicates that Congress ever intended that these provisions be applied to certain products but not to others. While in a legal opinion dated October 3, 1975, the U.S. Justice Department ruled that section 28(b) did not apply with respect to Federal excise taxes collected on gasoline refined in the Virgin Islands and shipped to the United States, the memorandum also stated:

As you may be aware, the Government of Puerto Rico has recently instituted a suit against the Secretary of the Treasury for payment of the gasoline excise taxes collected on gasoline produced in Puerto Rico and shipped to the United States, *Commonwealth of Puerto Rico* v. *Simon*, Civ. No. 75-1035 (D.D.C.). It should be apparent from the above discussion that a decision in that case that the taxes due Puerto Rico would lead to a similar conclusion with respect to the Virgin Islands, at least to the extent of matching the revenue collected by the Island government itself.

However, even with expeditious consideration of this case, it is apparent that, with allowance for appeals, judicial resolution of this matter could take several years. In spite of drastic cutbacks in essential government services and layoffs of public employees, the Virgin Islands government still faces a projected deficit of some $25 million for fiscal year 1977. With the official unemployment rate in the territory surpassing 10 percent, there is little room for further budget cuts.

In light of this situation, Delegate DE LUGO has discussed with me for some time the possibility of legislative action to resolve the Virgin Islands' rights with respect to taxes on petroleum products. Gov. Cyril E. King has also indicated his interest and support for legislation. I am, therefore, submitting this amendment to clarify the Virgin Islands' right to a rebate of the Federal taxes collected on the output of its refineries. Prompt congressional action on this legislation will not only confirm the original legislative intent, but also provide important financial support to the Virgin Islands at a difficult time in its history.

NATIONAL FOOD STAMP REFORM ACT OF 1976—S. 3136

AMENDMENT NO. 1571

(Ordered to be printed.)

Mr. DOLE (for himself, Mr. MCGOVERN, Mr. HUMPHREY, Mr. TALMADGE, Mr. HUGH SCOTT, Mr. JAVITS, and Mr. PERCY) proposed an amendment to the bill (S. 3136) to reform the Food Stamp Act of 1964 by improving the provisions relating to eligibility, simplifying administration, and tightening accountability, and for other purposes.

AMENDMENTS NOS. 1572 AND 1573

(Ordered to be printed and to lie on the table.)

Mr. CLARK submitted two amendments intended to be proposed by him to the bill (S. 3136), supra.

AMENDMENT NO. 1574

(Ordered to be printed and to lie on the table.)

Mr. JAVITS (for himself and Mr. KENNEDY) submitted an amendment intended to be proposed by them, jointly, to the bill (S. 3136), supra.

AMENDMENT NO. 1575

(Ordered to be printed and to lie on the table.)

Mr. MATHIAS (for himself and Mr. BROOKE) submitted an amendment intended to be proposed by them, jointly, to the bill (S. 3136), supra.

Mr. MATHIAS. Mr. President, I submit an amendment in behalf of Senator BROOKE and myself which we intend to offer to S. 3136, the National Food Stamp Reform Act of 1976. The purpose of our amendment is to lay the groundwork for serious congressional and Presidential consideration of specific legislative steps we might take next year to promote economy, efficiency, and improved service in the financing, administration, and delivery of social welfare services.

I am pleased to note, Mr. President, that the distinguished chairman of the Committee on Agriculture and Forestry and floor manager of S. 3136, Mr. TALMADGE, recognizes that the reform of the food stamp program—important as this task may be—represents only one in a number of reforms which we must undertake, if we wish to develop a coherent, effective, and sensible system of public income maintenance programs. As the chairman stated on the floor yesterday during the opening round of debate on S. 3136, "the food stamp program does not operate in a vacuum." But to stress his point, he quoted a statement made by Dr. Richard P. Nathan of the Brookings Institution who said last year in testimony before the Agriculture Committee:

The main lesson learned by analysts of welfare policies in the five years since President Nixon's family assistance plan was proposed in August 1969, is that all programs of the Federal Government that transfer cash and in-kind assistance to individuals must be looked at together.

Mr. President, this is precisely the purpose which our amendment would accomplish. This amendment would create a national commission of 18 distinguished members; 6 would be appointed by the President pro tempore of the Senate, 6 by the Speaker of the House of Representatives, and six by the President. The Commission would have 1 year from the date of enactment to develop and recommend specific and detailed legislation regarding the reform of all Federal income maintenance programs for the relevant committees of the Congress and, of course, the Commission would have authority to hold hearings, conduct the necessary research and obtain all of the information and materials it requires through a full-time staff.

This amendment is offered in the present form rather than as a specific immediate proposal to reform the current public income maintenance system in recognition of certain facts; facts which have convinced me that there will be no reform of the welfare system this year, though most of us agree that reforms are necessary; facts which suggest that there is, at this time, no general consensus in the Congress or public as to what form and substance the

reform of income maintenance progams should take; facts which suggest that the issues involved are of such magnitude and complexity and so fraught with emotion that, as an important initial step, we should remove partisanship as much as possible from the development of a well researched and documented welfare reform proposal by providing for a high-level issue oriented study and investigation of present income maintenance programs. I would point out that a number of State and local governmental organizations and public interest groups have been studying a proposal such as my amendment for several months. I am pleased to note also that the approach outlined in our amendment has received the endorsement of the National Association of State Legislatures and has received favorable consideration by the National Urban Coalition.

Mr. President, this amendment will not guarantee that the Commission will recommend a proposal on which the Congress, the President, or the general public will agree. But that outcome does not alarm me because the Congress will still have an opportunity to work its will on whatever proposal comes before it. The most important feature, however, is that, by adopting this amendment, the Senate will be indicating its own dissatisfaction with our present system and its firm intention to begin, and begin now, the process of designing a better income maintenance system.

It must be a system which assists citizens to achieve self-support and independence; it must be a system which provides expenditures in the amounts adequate to meet the needs of families and individuals; it must be a system which eliminates duplication and overlapping of services, activities, and functions; it must be a system which consolidates services, activities, and functions of a similar nature; it must be a system which reduces fraud and errors in program administration; it must be a system which assures equtable treatment of citizens in similar circumstances and needs; and finally, it must be a system which contains methods of equitable financing and some measure of fiscal relief for our financially pressed States, cities, and counties. The need for reform is clear and pressing.

According to a January 6, 1975, report prepared for me by the Congressional Research Service, Federal welfare expenditures for fiscal year 1975 totaled $28.7 billion. This sum includes those major programs that transfer income—cash and in-kind benefits—to individuals with low pretransfer income such as AFDC, medicaid, SSI, food stamps, social services, general assistance, emergency assistance, veteran's pensions, and housing payments.

I also inquired about the efficiency of Federal programs in reducing poverty and was advised that 46.9 percent of the families and 62.7 percent of the unrelated individuals who received public assistance cash payments in 1974 had money income below the poverty line. This income count, however, excluded the bonus value of food stamps, which totaled almost $3 billion in fiscal year 1974 and currently exceeds $6.5 billion annually; and it excludes medicaid payments which totaled $11 billion in fiscal year 1974 and now exceeds $14 billion yearly. Also, the definition of "family" was not restricted to families with children, but covers "a group of two or more persons related by blood, marriage, or adoption and residing together."

Nonetheless, CRS went on to indicate that data collected by the University of Michigan Survey Research Center showed that social security and unemployment insurance checks in 1971 reduced by 52 percent the number of poor "families" headed by the aged, including elderly individuals. But, according to CRS, such payments had relatively minor impact on the poverty of families with children reducing by 11 percent the number of poor families without fathers and by 6 percent the number of poor families with two parents.

Cash welfare, plus the bonus value of food stamps, the study showed, further reduced the number of poor families as follows: those headed by the aged, 11 percent; mother-headed families with children, 32 percent; and male-headed families with children, 16 percent. All in all, social insurance, plus cash welfare and food stamps, failed in 1971 to remove from poverty 43 percent of aged families, 61 percent of mother-headed families with children, and 79 percent of male-headed families who originally were poor.

I recognize that food stamps were a relatively small program in 1971, unavailable in many counties; and that SSI had not yet come into being. Yet the Michigan survey indicated that coverage of the poor population by the Nation's "system" of transfer payments is best for the poor aged, the poor disabled, and for poor mother-headed families with children. Of these groups, all received some transfers except for 3 percent, 11 percent, and 17 percent, respectively.

Significantly, however, 51 percent of poor male-headed families with children, and 57 percent of poor families with a nonaged, nondisabled head without children received no transfer payments. One additional group of statistics from the Census Bureau points to the problem; namely that of the Nation's 5.1 million which were classified as poor in 1974, 980,000 had a breadwinner who worked full time year round. The heads of another 200,000 families worked all year at part-time jobs, and 1.5 million of the poor families had a breadwinner who worked only part of the year. In all, 53 percent of the persons heading poor families did some work in 1974.

The issues, at this point, appear to be the same which we confronted unsuccessfully more than 4 years ago: Is the present system very effective when it comes to reducing income poverty, and does the present system, despite food stamps, discourage men from working by excluding families headed by male full-time workers? Does the system still contain other wrong way incentives?

In addition to those arguments we heard—and used—from 1969 to 1972 describing the welfare system as inefficient, we are now confronted with the issue of multiple program participation and the effect of this phenomenon on recipients. The several welfare programs restricted to certain categories, we are told, omit many of the poor and create financial incentives for some to form into units eligible for help. For example, in States permitting AFDC only for fatherless families and for families of incapacitated fathers, the program provides a financial incentive for fathers to desert their children, or to pretend to do so, or to fail to marry the mother in the first place. Categorical programs, therefore, result in inequitable treatment. Additionally, State-local administration of federally subsidized welfare is supposed to be complex, costly, error-prone, and impedes uniform treatment of the poor.

Perhaps, the most piercing argument against the present system is that our categorical programs which result in multiple program participation generally increase work disincentives by increasing the rate at which benefits are reduced for offsetting income. Additionally, multiple program participation can lessen the need for work, and it can make work less competitive with welfare. For instance, in July 1975 maximum potential combined benefits—cash plus food stamps—to AFDC families of four persons in 37 States exceeded the estimated net gain from a full-time job at the Federal minimum wage after social security taxes, busfare, and modest other expenses.

In many respects, some of the arguments used against the system in 1969–72 still apply today; namely, that it contains disincentives to work; that it encourages family dissolution; and that it is inequitable both with respect to regions of the country and individuals.

But this does not lessen the dilemma which potential reformers face. We recognize that unless AFDC is opened up to poor intact families with a full-time working father, any changes that liberalize benefits automatically will increase the financial penalty against excluded families. This in turn will increase the incentive for family splitting. Moreover, if separate, uncoordinated programs continue to proliferate in response to specific needs, work disincentives will climb. At the same time ultimate rationalization of the system may be impeded by the rising level of combined benefits that would have to be surrendered to achieve a universal system. We must acknowledge that the benefits of the food stamp program have narrowed regional income disparities of the poor and aided groups excluded from cash welfare, but, this fact alone increases the probable cost of replacing major welfare programs with a national cash program.

Accepting for a moment the goals established by the Institute for Research on Poverty of an income-tested welfare program are sound—a system which is adequate, efficient—administratively, and target population-wise, equitable with incentives for work and family stability, and one which promotes independence, the question is how do we get there from here.

Do we conclude, as we did 6 years ago, that the system is in abysmal chaos beyond fine tuning and must be restructured? Or should we pursue incremental reform? Facing us is a $28 billion system which pleases few Americans, regardless of political ideology or class status. Yet the question recurs: how do we begin to address this issue, particularly this year? This amendment offers the way.

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

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

AMENDMENT No. 1575

At the end of the bill add a new section as follows:

SEC. 14. (a) It is hereby declared to be the policy of Congress to promote economy, efficiency, and improved service in the financing, administration, and delivery of social welfare services, including, but not limited to, those programs which provide a cash benefit or the equivalent of cash to individuals and families in need by—

(1) assisting needy and low income people to achieve self-support and self-sufficiency;

(2) providing funds in the amounts adequate to meet the needs of needy and low income families and individuals;

(3) eliminating duplication and overlapping of services, activities, and functions in the Federal income maintenance programs;

(4) consolidating services, activities, and functions of a similar nature in such programs;

(5) reducing fraud and errors in administration of such programs;

(6) assuring equitable treatment of people in similar circumstances and needs under such programs, taking into consideration geographic locations and other factors; and

(7) developing methods of equitable financing for such programs.

(b) There is hereby established a Commission to be known as the National Commission on the Reform of Income Maintenance Programs (hereinafter referred to as the "Commission") for the purpose of developing specific legislative proposals designed to carry out the policies set forth in subsection (a).

(c) (1) The Commission shall consist of eighteen members as follows:

(A) The Secretary of Health, Education, and Welfare.

(B) The Secretary of Labor.

(C) Four members appointed by the President from public or private life.

(D) Three members appointed by the majority leader of the Senate, one from the Senate and one from private life.

(E) Three members appointed by the minority leader of the Senate, one from the Senate and one from private life.

(F) Three members appointed by the majority leader of the House of Representatives, one from the House of Representatives and one from private life.

(G) Three members appointed by the minority leader of the House of Representatives, one from the House of Representatives and one from private life.

(2) If any member has been appointed by virtue of the office he holds, his term shall expire when he no longer holds such office.

(d) A vacancy in the Commission shall not affect its powers, but shall be filled in the same manner as the original appointment.

(e) The Commission shall elect a chairman and vice-chairman from among its members except that no member of the President's Cabinet or Congress may serve in either position.

(f) Ten members of the Commission shall constitute a quorum.

(g) (1) Members of the Commission who are officers or full-time employees of the United States or who are Members of Congress shall receive no compensation for their services as members of the Commission.

(2) All other members, unless precluded by the nature of any office they hold, shall be compensated at rates determined by the Commission, but not in excess of the rate of level V of the Executive Schedule specified in section 5316 of title 5, United States Code.

(3) All members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently.

(h) The Commission shall appoint an Executive Director and not to exceed three assistant directors. The Executive Director shall be compensated at a rate not to exceed that of level V of the Executive Schedule and the Assistant Directors at a rate not in excess of the maximum rate authorized by the General Schedule (subchapter III of chapter 53 of title 5, United States Code). The Commission shall have the power to appoint other personnel without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and such personnel may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, but no individual shall receive compensation at a rate in excess of the maximum rate authorized by the General Schedule. The Commission may request the detail of Federal employees with or without reimbursement. The Commission may also use consultant or contract services.

(i) The Commission shall develop and draft proposed legislation to reform existing social welfare laws and programs in accordance with the policies set forth in subsection (a). It shall also draft a proposed plan for implementation of such legislation. The Commission shall also prepare cost estimates for carrying out such proposed legislation.

(j) In carrying out the purpose of this section and in developing the necessary legislation, the Commission shall:

(1) hold public hearings, discussions, and meetings and receive such testimony as it deems necessary;

(2) study and analyze past and present social welfare policies and programs on the local, State, and federal levels;

(3) consider the relationships among cash and in-kind income and job security programs, job creations, social services, and manpower programs;

(4) consult with persons knowledgeable in the development and administration of social welfare programs, including recipients of benefits; and

(5) regularly inform and consult with the relevant legislative committees of Congress and the relevant agencies of the Executive Branch.

(k) The Commission is authorized to secure directly from any executive department, bureau, agency, board, commission, office, independent establishment or instrumentality information, suggestions, estimates, and statistics needed by the Commission in carrying out the purposes of this section; and each such department, bureau, agency, board, commission, office, establishment, or instrumentality is authorized and directed to furnish such information, suggestions, estimates and statistics directly to the Commission, upon request made by the chairman or vice chairman of the Commission.

(l) No later than one year after the date of enactment of this section, the Commission shall submit its recommendation to the appropriate committees of the Congress and to the President.

(m) Any information obtained by the Commission from individuals, groups, organizations, Federal, State, and local agencies and officials shall be subject to all existing and future laws concerning privacy and freedom of information.

(n) The Commission shall commence its activities as soon as ten members have been appointed.

(o) The Commission shall locate its offices in the District of Columbia and may obtain and utilize services, facilities, and staff provided under agreement between it and any Federal agency, for which such agency may or may not be reimbursed.

(p) If, after ten members have been appointed, no money has been appropriated to carry out the purpose of this section, the Commission may enter into an agreement with the Secretary of Health, Education, and Welfare to advance such financial resources as may be necessary to begin the work of the Commission. The Department of Health, Education, and Welfare shall be reimbursed for such advances out of funds appropriated to carry out this section.

(q) (1) The Commission is authorized, by a vote of two-thirds or more of its members, to require by subpena or otherwise the attendance and testimony of such witnesses and the production of such books, records, correspondence, memorandums, papers, and documents as the Commission may deem advisable. Any member of the Commission may administer oaths or affirmations to witnesses appearing before the Commission or before any subcommittee or member. Subpenas may be issued under the signature of the chairman or vice chairman and may be served by any person designated by the chairman or the vice chairman.

(2) In the case of contumacy or refusal to obey a subpena issued under paragraph (1) of this subsection by any person who resides, is found, or transacts business within the jurisdiction of any district court of the United States, such court, upon application made by the Attorney General of the United States, shall have jurisdiction to issue to such person an order requiring such person to appear before the Commission or a subcommittee or member thereof, there to produce evidence if so ordered, or there to give testimony touching the matter under inquiry. Any failure of any such person to obey any such order of the court may be punished by the court as a contempt thereof.

(r) There is hereby authorized to be appropriated such sums as may be necessary to carry out the purpose of this section, to remain available until expended.

Mr. BROOKE. Mr. President, I am today joining with Senator MATHIAS in submitting an amendment to the food stamp bill which provides for the establishment of a National Commission on the Reform of Income Maintenance Programs.

The time has long passed for consideration of the problem of the burden of welfare on our Nation's cities and States. Over the years, I have advocated the assumption of responsibility for welfare at the Federal level, and the welfare problem has become particularly urgent with the intensification of the fiscal crisis which confronts our cities and States.

Last year at our hearings in the Banking Committee on the New York City fiscal crisis, I expressed my own grave reservations about the wisdom of financing the debt of New York City through Federal loan guarantees. Based upon my experience in municipal fi-

nance, I believe that it is the responsibility of State and local governments to finance their own activities. However, I did vote for the New York City Seasonal Financing Act of 1975. That act provided for short-term, seasonal cash-flow loans of up to $2.3 billion for New York over the next 3 years. The seasonal financing program will assist New York in meeting its short-term cash needs. It will not, however, solve the city's basic economic problems.

At recent oversight hearings on the Seasonal Financing Act, Secretary Simon presented to the Banking Committee some long-term options to help meet the needs of New York and other cities. Among other things, the Secretary observed,

> We need a comprehensive re-examination of Federal, State and local relationships in the area of assistance to the disadvantaged.

He cautioned that a change in welfare policy would not in itself be a solution to the financial problems of New York and other cities, and I agree with him on this. However, Federal assumption of responsibility for welfare would go a long way toward easing the fiscal burdens of our financially strapped cities and States. In New York, for instance, if the Federal Government were to assume all of the city's current welfare obligations, the city's budget deficit would be reduced by about $800 million.

Welfare is truly a national problem and the financing of public assistance must be a Federal responsibility. New York's situation is only the most publicized example of this problem. In fact, the city of Boston has a higher percentage of its population on public assistance than New York does. Philadelphia, St. Louis, Baltimore, Newark, and Washington, D.C. all have higher percentages of welfare recipients than New York. With a declining population, these cities can no longer afford to support their increasing welfare populations.

A dramatic shift in our population has occurred over the past decade or two. There has been a large migration of poor persons from the South and elsewhere to our urban centers, a movement of the middle class to the suburbs, and an aging of the existing population in our cities. The population of the central cities has decreased, while the number of poor persons on welfare has increased. The unavailability of jobs for these people in the cities has increased the welfare burden. At the same time, the loss of a tax base because of the migration of middle-income people and industry to the suburbs has made the burden of paying for welfare even greater for the hard-pressed working people still living in the cities.

Ironically, those cities and States which have tried to provide a decent standard of living for their welfare population, including my own State of Massachusetts, have been forced to bear a disproportionate share of the national welfare burden. A Federal assumption of responsibility for welfare can remove this unfair burden and, at the same time, equalize the benefits available to poor persons in all jurisdictions.

In sponsoring this amendment, I am not suggesting that the issues involved in federalization of welfare are simple. We must consider the intricate relationship between our employment program and our welfare policies and, in my opinion, the availability of jobs is our highest national priority. We must deal with regional variations in the cost of living. We must consider the relationship of welfare related services — day care, medicaid, and food stamps. These and other considerations must be carefully weighed.

But it is not as if we have just begun to think about these problems. Congress and the administration have studied, investigated, and evaluated proposals for dealing with the welfare issue for many years. A decision cannot be put off much longer—if nothing else, the fiscal plight of our cities and States reminds us of that.

What Senator Mathias and I are proposing is that we set a definite timetable for consideration of specific proposals to reform the welfare system. I urge my colleagues to support this amendment.

NOTICE CONCERNING NOMINATION BEFORE THE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, the following nomination has been referred to and is now pending before the Committee on the Judiciary:

Ermen J. Pallanck, of Connecticut, to be U.S. marshal for the district of Connecticut for the term of 4 years (reappointment).

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in this nomination to file with the committee, in writing, on or before Tuesday, April 13, 1976, any representations or objections they may wish to present concerning the above nomination with a further statement whether it is their intention to appear at any hearing which may be scheduled.

ANNOUNCEMENT OF HEARINGS

Mr. ABOUREZK. Mr. President, the American Indian Policy Review Commission, Task Force No. 6 on Indian Health, announces public hearings to be held May 1, 1976, at the Northern Hotel, First Avenue North at Broadway, Billings, Mont., beginning at 9 a.m.

Persons interested in submitting testimony should contact Al Cayous at 202–225–2235, 2979 or 2984 or write: American Indian Policy Review Commission, HOB Annex No. 2, Second and D Streets SW., Washington, D.C. 20515. Attention: Task Force No. 6.

ANNOUNCEMENT OF HEARINGS

Mr. ABOUREZK. Mr. President, the American Indian Policy Review Commission, Task Force No. 6 on Indian Health, announces public hearings to be held April 30 and May 1, 1976, at the Holiday Inn, Six Avenue, Aberdeen, S. Dak., beginning at 9 a.m.

Persons interested in submitting testimony should contact Al Cayous at 202–225–2235, 2979, or 2984 or write: American Indian Policy Review Commission, HOB Annex No. 2, Second and D Streets SW., Washington, D.C. 20515. Attention: Task Force No. 6.

ADDITIONAL STATEMENTS

SOCIAL SECURITY—HOW SERIOUS IS THE PROBLEM?

Mr. HUMPHREY. Mr. President, in recent months there has been a lot of loose talk from some Government officials about the so-called crisis in the social security system. Many people are very concerned and upset because they are afraid that the social security trust fund is hovering on the brink of bankruptcy. The President has called for a tax increase to "restore the integrity" of the trust fund.

The Congress of the United States is not going to stand idly by and allow the financial security of millions of retired people to be jeopardized. We will take whatever action is necessary to insure the integrity of the social security system.

But before Congress acts on the President's proposal or others that have been suggested, we need to take a hard look at the problem. Is there a "crisis"? If so, what caused it? What are the best solutions? We will do a disservice to the social security system and the American people if we act precipitously without adequate information.

I have asked the staff of the Joint Economic Committee to prepare a paper discussing the social security "crisis" and laying out the facts for our consideration.

My conclusion from the committee analysis is that although the social security system faces several problems, it does not face a crisis. The system is basically sound.

Most of the short-term problems are a direct result of sluggish economic growth and recession. As we return to full employment these problems will disappear.

The surplus in the trust fund is currently about $45 billion. It is expected to decline for the next few years and stabilize at about $30 billion. There are arguments for and against increasing the size of the surplus

Longrun problems can be divided into two categories—those that result from a defect in the method of adjusting for inflation and those that result from demographic changes. There is widespread agreement that the inflation adjustment problem can and will be solved in the near future. Potential problems from demographic changes lie further in the future and deserve more careful consideration.

I commend this paper to the attention of my colleagues. Mr. President, I ask unanimous consent that this staff study be printed in the RECORD.

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

SOCIAL SECURITY—HOW SERIOUS IS THE PROBLEM

Since the social security trustees issued their report last May, a great deal of concern has been expressed about the fundamental soundness of the social security trust

fund. This concern was sufficiently serious that the President included a recommendation in his 1977 budget to increase the wage tax that finances the trust fund. Congress is giving careful consideration to this proposal and others.

This paper will raise several questions and attempt to answer them: Is there a crisis or merely a problem? How serious is it? What are the causes? What kinds of solutions merit consideration?

CRISIS OR PROBLEM?

In his 1977 budget message President Ford declared "We must recognize, however, that the social security trust fund is becoming depleted. To restore its integrity, I am asking the Congress to raise social security taxes, effective January 1, 1977, and to adopt certain other reforms of the system." The sense of urgency conveyed by the President in this and other speeches has led many people to fear that the social security trust is in imminent danger of bankruptcy. A careful examination of the facts is in order.

Table 1 shows the overall condition of the social security trust fund from 1971 through 1976. Between 1971 and 1975 the surplus remaining at the end of each year grew larger—from $40.8 billion to $48.2 billion. However, in 1976 outlays are estimated to exceed receipts by about $3 billion causing the surplus to decline. The best estimates available show the surplus continuing to shrink by several billion dollars each year until the early 1980s. The surplus would then stabilize at about $29–30 billion and remain there throughout the 1980s. Table 2, based on the assumption that current law remains unchanged, shows these projections.

The information shown in these tables leads one to the conclusion that the social security trust fund does not face a problem of crisis proportion. The social security trust fund is not in imminent danger of bankrupty. However, there still remain some problems. For the next 10–15 years, some would argue that a $30 billion reserve cushion is inadequate and should be increased. This argument has been presented by Secretary of the Treasury Simon. The proposals presented in the President's budget would increase the reserve cushion to about $73 billion by 1980. Others have argued that extremely large surpluses could have significant impacts on the economy depending upon other factors in the budget. Problems might also arise in trying to invest the surplus appropriately.

TABLE 1.—OASDI TRUST FUND RECEIPTS AND OUTLAYS

[Billions of dollars, fiscal years]

	1971	1972	1973	1974	1975	1976[1]
Receipts	38.9	43.2	49.6	57.5	66.7	70.8
Outlays	35.0	40.2	49.1	55.9	64.7	73.7
Surplus(+) or deficit(−)	+3.0	+3.0	+.5	+1.8	+2.0	−3.0
Balance at end of year	40.8	43.8	44.3	46.1	48.2	45.2

[1] Estimated.

Source: Department of the Treasury.

TABLE 2.—PROJECTIONS OF THE OASDI TRUST FUND[1]

[Billions of dollars; fiscal years]

	1977	1978	1979	1980	1981
Assuming economic projections used by Congressional Budget Office.					
Annual surplus (+) or deficit (−)	−5.2	−4.1	−3.7	−2.7	+1.9
Balance at end of year	38.4	34.3	30.6	27.9	29.8
Assuming economic projections contained in the President's budget.					
Annual surplus (+) or deficit (−)	−3.5	−3.9	−3.0	−2.3	−1.5
Balance at end of year	40.6	36.7	33.7	31.4	29.9

[1] These projections assume a continuation of current law.

Source: Budget Options for fiscal year 1977: A Report to the Senate and House Committees on the Budget, Congressional Budget Office, Mar. 15, 1976.

CAUSES AND SOLUTIONS

The problems facing the social security system can be conveniently divided into current problems and potential future problems.

The current problem is that trust fund receipts have grown more slowly than outlays. This fact can be seen in Table 1. This has been caused by sluggish growth and recession in the overall economy and by the unusual relationship between wage increases and inflation in the recent recession. Recessions generally cause government tax receipts to fall and expenditures to rise. For social insurance taxes the impact on receipts is much larger than the impact on outlays. Between 1975 and 1976 all social insurance funds combined lost over $30 billion as a result of the recession. The problem has been aggravated by the disparity between price increase and wage increases. From 1974 to 1975 the Consumer Price Index (CPI) increased 9.1 percent while wages and salaries increased only 5.1 percent. Since benefits paid out are tied to changes in the CPI while receipts paid in are tied to wages and salaries, the problem became worse.

The impact of economic recession on the trust funds cannot be overstressed. In 1977 alone the trust fund will lose about $10½ billion because the economy is expected to operate so far below its potential output level. Since the recession-induced tax loss is over twice as large as the projected deficit, returning the economy to full employment is clearly the most important single thing that can be done to insure the financial soundness of the social security trust fund.

The seriousness of the current problem depends on one's view of the appropriate size of the surplus balance in the trust fund. Regardless of the seriousness of the problem, there is widespread agreement that it could be eliminated by restoring the economy to conditions of full employment. Under these conditions the surplus would grow over the next five years rather than diminish. Until a healthy economy is able to support the trust fund, numerous changes could be considered. The Congressional Budget Office has published a brief discussion of changing the tax rate, changing the wage base, changing the benefit structure, allowing some funding from general revenues, and other alternatives.[1]

The Joint Economic Committee recommended in March 1976[2] that the payroll tax receipts now set aside for hospital insurance should be reallocated to the OASDI fund and that hospital insurance should be funded from general revenues. Implementing this recommendation would increase trust fund receipts $10–15 million per year between now and 1980 and therefore would cause the surplus to grow larger.

Looking beyond 1990 some potential future problems emerge. The first is related to the method used to compensate for inflation. Benefits are calculated by multiplying a wage base by a formula that includes an inflation adjustment. For retired persons the wage base is fixed so that their benefits are adjusted once (by the formula) for inflation. For workers not yet retired, however, the wage base will increase as wages rise. Thus they receive two inflation adjustments—one from the higher wage base and one from the higher benefit formula. This problem accounts for roughly one-half of the anticipated long-run deficit in the trust fund and there is widespread agreement that it must be corrected before it becomes serious.

The second potential long-run problem is the result of demographic trends. Presently there are about 30 beneficiaries of social security for 100 workers. The workforce is relatively large because of the post-World War II baby boom. However, the lower fertility rates now being observed lead us to expect this situation to change as the post-World War II babies reach retirement age. By 2030 projections show about 45 beneficiaries for each 100 workers. Therefore, the burden retired persons place on the next generation of workers will be much heavier than it is at present.

Given our limited ability to solve problems which may develop 50 years from now, no immediate action seems necessary to deal with the demographic changes. Congress and the various advisory councils have begun examining this problem and exploring various possible solutions.[3]

SUMMARY

Although the social security system faces several problems, it does not face a crisis. The system is basically sound.

Most of the short-term problems are a direct result of sluggish economic growth and recession. As we return to full employment these problems will disappear.

The surplus in the trust fund is currently about $45 billion. It is expected to decline for the next few years and stabilize at about $30 billion. There are arguments for and against increasing the size of the surplus.

Long-run problems can be divided into two categories—those that result from a defect in the method of adjusting for inflation and those that result from demographic changes. There is widespread agreement that the inflation adjustment problem can and will be solved in the near future. Potential problems from demographic changes lie further in the future and deserve more careful consideration.

[1] *Budget Options for Fiscal Year 1977: A Report to the Senate and House Committees on the Budget*, Congressional Budget Office, March 15, 1976, p. 131–133.

[2] *The Joint Economic Report*, Joint Economic Committee, March 10, 1976, p. 71.

[3] See for example, *Financing the Social Security System*, Subcommittee on Social Security, May and June 1975.

MARYLAND'S TRAUMA TEAM

Mr. MATHIAS. Mr. President, coping with a severe emergency, in which an individual's life may hang in the balance, is probably medicine's greatest challenge. The Maryland Institute for Emergency Medicine, in Baltimore, was established to meet this challenge. Hardly a day passes when a critically ill or injured person is not transported, often by a specially equipped Maryland State Police helicopter, to the Institute, where the best efforts that modern medicine can produce are applied in an attempt to save a life. The March 1976 issue of Emergency Medicine contains an article, "Notes from a Trauma Team," which describes the work of the Maryland Institute for Emergency Medicine. The Institute may well serve as an example of the kind of program that can be established elsewhere, and I ask unanimous consent that this article be printed in the RECORD.

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

NOTES FROM A TRAUMA TEAM

Victim of a horrendous accident, he's brought in barely clinging to life. You've no idea how many different kinds of injury he's suffered, how many vital organs are smashed and pouring out blood beneath his chalky skin. With so much to find out and deal with in so little time, where do you start? How do you give him back the life that's fast slipping away?

The Maryland Institute for Emergency Medicine, in downtown Baltimore, offers you many answers—some defying tradition—to these hauntingly familiar questions.

The institute, housed in a five-story building adjoining the University of Maryland Hospital, is specifically designed to handle critically ill and injured patients. Most have been in catastrophic auto accidents. Most are brought in unconscious—generally by helicopter, for the institute serves the entire state of Maryland as well as areas of the adjoining states and Washington, D.C. And most—about 80%—survive.

Including some pronounced "dead" at the scene.

Few hospitals will be able to duplicate the institute's approach to treatment right down the line. But the institute's most vital methods and principles of trauma management need no sophisticated setting anyway; they'll help you save lives with what you already know and have. You may want to adopt the center's quick way to check for internal bleeding, for example, or their technique of transfusion, or—in a different sense of saving a life—their approach to preparing an amputee emotionally for the ordeal of returning to the outside world.

Before going into this, however, a few words about *why* the institute came into being, the philosophies that guide it, and the role it plays in Maryland's system of emergency care:

Back in the 1950s, when institute director Dr. R. Adams Cowley was chairman of the division of thoracic surgery at the University of Maryland Hospital, he recalled for EM, "we had seven postoperative beds for heart surgery and we had to make rounds several times a day because those were the days before sophisticated equipment and it was the only way you could try to evaluate what was going on. So you would go down the line with your doctors and nurses and sometimes by the time you'd get to the last patient, the patient in the first bed was dead. This caused us so much consternation that we started three programs—one, to develop better care by the physician; two, better care by the nurse who *is* the physician when he isn't there; and three, we began developing monitoring systems. In fact, everything we've done over the years is for one reason—necessity."

In 1956 he began animal research into shock, which he refers to as "a momentary pause in the act of death." Four years later the Army awarded him a grant that enabled him to open a four-bed unit in the hospital to study shock and trauma problems. And in 1969 the present building opened with a capacity of 32 beds. To supplement local ambulance facilities, the Maryland state police Medevac helicopter program was established to provide emergency evacuation from anywhere within the state. The institute trains at least one member of each two-trooper crew as a cardiac rescue technician, the next level of proficiency above emergency medical technician. Although the crews spend most of their time on regular police work, controlling traffic from the sky, chasing fleeing cars, they immediately swoop off when an alert comes through to go to the scene of an accident. Each helicopter can carry two litter patients.

Finally, in 1973, Maryland's governor created a Division of Emergency Medical Services; headed by Dr. Cowley. Briefly, the program divides the state into five regions, each with various categories of emergency facility that are linked by a network of communication and transportation systems and are backed up by five "specialty referral centers." These, in addition to the institute, are the pediatric trauma unit at Johns Hopkins, the burn treatment center at Baltimore City Hospitals, the neonatal intensive care units at Baltimore City and University of Maryland hospitals and the new hand treatment center at Baltimore's Union Memorial Hospital.

Most people in Maryland are within an hour's helicopter flight of these specialty centers—a vital factor, says Dr. Cowley. "There's a golden hour between life and death," he explains. "If you are critically ill or critically injured you have less than 60 minutes to survive. That doesn't mean you'll be dead in 60 minutes but if you're not in the right place at the right time, seen by the right people, your chances of dying are greatly enhanced. You might not die right then; it may be three days later or two weeks later—but something has happened in your body that is irreparable."

The institute has four teams of general surgeons, anesthesiologists, and nurses to handle admissions; one team is always on duty. At the institute, says director Cowley, getting an emergency patient isn't like "getting a surprise package where you open up the back door of the ambulance, wondering what you've got. A dead man? Somebody whose guts are spilled all over the floor? Somebody whose leg is off? And then you have to start massing the troops, looking for this kind of guy, that kind of guy." Rather, the ambulance or helicopter crew alerts them in advance about the type of case to expect.

An anesthesiologist and a nurse meet at the helipad atop University Hospital's parking garage, while the rest of the team waits, scrubbed and gowned, in the admitting area. Every piece of equipment they will need has its special place so that everyone knows exactly where to reach for what. Portable x-ray equipment stands ready. "Critically traumatized patients shouldn't be moved," explains Dr. Cowley. "Many animal experiments have demonstrated that you bleed an animal to a certain blood volume and then all you had to do was move his leg and it would kill him." Sometimes surgery is performed right in the admitting area, even though there are two adjoining operating rooms. Downstairs are two hyperbaric chambers; upstairs, a 24-hour clinical lab. By printouts and phone, the team will quickly get reports on blood gases, electrolytes, urine, and so forth.

Once the helicopter crew has reached a decision at the scene that this is a case for the institute, they're instructed not to waste time on anything but the most imperative life-preserving procedures. A must, of course, is to stop external hemorrhaging. And when a patient is unconscious, the technician inserts an esophageal obturator. Basically, it's an esophageal tube with air holes at the level of the pharynx and an inflatable cuff that seals off the esophagus. You ventilate the patient either by blowing through the tube or by attaching an Ambu bag to it.

It's the job of the anesthesiologist-nurse welcoming team to get the patient from helipad to institute without mishap. The physician sees to the all-important airway. If cardiopulmonary resuscitation is necessary, they start—or continue—it on the short ambulance trip to the admitting area. And the patient's clothes are removed, usually cut off, in transit. Once he arrives in the admitting area, what one team member calls controlled chaos erupts. Although one group may be working on the victim's head and another on his abdomen, the team—with the surgeon serving as leader—pretty much follows a protocol. And the all-important first steps are resuscitation and stabilization—*without* waiting for x-rays or tests or any attempt at diagnosis.

INITIAL ANESTHESIA

Any patient who's in shock, head-injured, or in, or potentially headed for, respiratory distress is intubated and put on a mechanical ventilator with PEEP. And at the same time "we do something that perhaps is a little unusual," says anesthesiologist T. Crawford McAslan, professor and head of the division of critical care medicine. "We actually lightly anesthetize all patients, conscious and unconscious, and give them a muscle relaxant. We feel this is a humanitarian function in that we relieve pain for the patient, in addition to optimizing oxygen delivery and minimizing metabolic demands. He doesn't feel the discomfort of having his arms and legs moved while we take x-rays and do tests. It also makes things go faster because the surgeons can put in lines without the patient struggling. Furthermore, while the patient is still in the admission area, the surgeon can take a knife at any moment and make an incision, put his hand inside, and control any intra-abdomial bleeding by direct pressure on the main vessels. It's all systems 'go' from the time the victim comes in. We can act in seconds if he doesn't respond or deteriorates suddenly." They use 50% nitrous oxide to anesthetize the patient and, as a muscle relaxant, succinyl-choline for the head-injured—since it can be reversed quickly for neurologic evaluation—or, for most other patients, a longer-acting drug like curare.

During this time the surgeon has already made a very fast assessment of the patient: Is he awake, can he be awakened by stimulation, or is he unconscious? Are his pupils equal, can he move his limbs, or is he paralyzed? Then the surgeon draws venous and arterial blood sample for quick dispatch to the lab and, while other team members are fastening EKG leads and catherizing the patient's bladder, he inserts a CVP catheter, through the subclavian vein if possible, and four IV lines—the largest ones possible, by cutdown if they won't go in almost instantly—two above the diaphragm and two below.

"We've learned that sometmes a patient may have ruptured vessels between the neck and heart and if you put all your lines in from the top you may just be pouring the blood into the chest. Similarly if you put them all below, the pelvis may be injured and you're pouring all the blood into the pelvis. But if we have lines above and below, as soon as we identify a pelvic injury we go easy on the lower ones; if we find serious chest injury, we go easy on the chest line. Or if you identify a lower injury you go easy there."

PLASMA FIRST

For fluid replacement, the institute team starts off with plasma or plasma protein fraction, their own preference. "We don't start with blood immediately," says attending staff aneisthesiologist Baekhyo Shin, "because we may be able to resuscitate the patient with just the colloid part. We'll be prepared to run in up to a liter." Then if the patient still isn't stabilized they add packed cells. A unit each of the synthetic plasma and packed cells makes a unit of blood so "we reconstitute the blood," he adds. If a patient absolutely has to have whole blood, he'll get group O positive; a supply of 7 units is kept in the admitting area. Cross matching is done on every patient, of course, but even under these best circumstances, that takes about an hour—and "our patients are either alive or dead in an hour."

The use of O positive isn't ideal, to be sure, adds Dr. Ernest A. Austin, chief of surgery and traumatology. "O negative would be ideal

but you just can't keep a supply of rare O negative blood on hand in the admitting area as we can the O positive."

"Of course you get a reaction in some people," says Dr. Shin, "but we take that calculated risk because obviously it's better to deal with a reaction than to have a dead man."

Finally, he continues, since the replacement blood is deficient in clotting factors, patients get several units of clotting factors, in the form of fresh frozen plasma, for every 10 units of blood. "We know they're going to get deficient every time we do what's called a replacement transfusion. In fact, these people will have had all their clotting factors washed out. Similarly we know that after we've done two such washouts, we'll have diluted the number of platelets; so we give platelets every 20 units."

Another simple but vital fact, accentuated by so much massive transfusing, is the cooling effect of replacement solutions, notes Dr. McAslan. "People still don't recognize that every time you give a unit of blood you drop the temperature of the body 1° C. In our early days here we found that many patients would get down to temperatures of 31, 32° C., at which point the heart becomes very irritable and many of the cardiac arrests we had then were the result of hypothermia. Since then, all the solutions we use go through warmers."

The anesthesiologist has been paying close attention to the movement of the patient's chest as he secures the airway and the IV's are being started. He may have noticed that air isn't entering one side of the chest as well as the other. Now he listens and percusses both sides: decreased breath sounds and typerresonance on percussion signal pneumothorax; blood in the pleural space will also cause decreased breath sounds but dullness on percussion. A chest tube is inserted at the least suspicion. "We can't wait for an x-ray," says surgeon Austin, though the traditional first step is to take an x-ray and *then* decide what to do next.

As a rule of thumb, how much bleeding from the chest tube before they go in to see what's going on? First, says Dr. Austin, you must be aware that you can't base that decision on the *initial* amount of blood loss; the patient may have bled a great deal into the chest and then stopped. The decision should be based on how much continuous bleeding there is. "If, for example, it's not obviously massive," says the surgeon, "and he loses, say, 200 cc. through the chest tube the first hour and 150 the second, we'll continue to observe him; in all likelihood it will keep decreasing every hour. Even if it's 200 the first hour and 300 the next, you might consider watching him another hour if you've got him stabilized. But unless there's a significant decrease by the third hour, you should go in." If, on the other hand, "we simply can't stabilize the patient with transfusions, if we can't catch up or we're losing ground, then we go ahead into the chest."

MINI-LAPAROTOMY FOR ALL . . .

As for occult abdominal bleeding, "we do a minor operation on almost every patient who comes in," says Dr. McAslan. Why? A recent study in Baltimore of 100 autopsies revealed 15 cases of fatal abdominal lesions that could have been corrected surgically but had never been diagnosed. Indeed, stresses surgeon Austin, you simply can't depend on a physical exam to evaluate the abdomen of an unconscious patient or a patient with serious head or chest trauma or paraplegia. And the abdominal tap, with either needle or catheter, is too unreliable, he adds; it's done percutaneously so the slightest bleeding from the abdominal wall can cause a false-positive result, and "all physicians agree that if it's negative it doesn't prove that there's no intra-abdominal bleeding."

So the institute patients get what the team calls a mini-laparotomy—a 1- to 2-inch incision is made just below the navel and all bleeding is stopped immediately. After making sure that the area is dry, the surgeon picks up the peritoneum with a forceps, puts a purse-string suture in it, incises it, inserts a length of dialysis tubing into the pelvis, and ties the purse string tight so that no blood from the wound can slip in to give a false positive. "Then we instill a liter of normal saline into the tube and siphon it off," says Dr. McAslan. "Any trace of pink signals a full laparotomy in the OR."

True, he admits, they've performed laparotomies on some patients who didn't need it—but "we have not missed a single operation that we had to do. Our philosophy involves a kind of trade-off—we operate on some who may not need it to be sure to save the ones who do."

Perhaps the most common injury found during laparotomy is a ruptured spleen. Indeed, since the mini-laparotomy has been so successful in detecting splenic bleeding they no longer do an arteriogram for the spleen. "We've never had a patient with a negative mini-lap who was later found to have a significant injury to the spleen," reports Dr. Robert J. Ayella, chief of radiology at the institute and associate professor and chief of the special procedures division in radiology at the University of Maryland Hospital.

Nor do they use arteriography anymore as the initial step in assessing liver damage, perhaps the second most common injury. Arteriographic evidence of interrupted blood supply used to mean dead liver, which, in turn, means resection. But Dr. Ayella has found that the liver can stay alive and develop collateral circulation even with more than half its main blood supply cut off. So now initial evaluation is done with portohepatography, which is simpler and safer than arteriography and can be done right in the trauma unit using the portable apparatus. (see EM, February 1975, p. 171). Portograms can delineate gross avascular liver damage—to be investigated with selective arteriography later on—or tell whether there's active bleeding, which must be dealt with surgically at once.

. . . PLUS NECK AND CHEST FILMS

Meanwhile, back at the patient's head, Dr. Ayella or one of his radiolog'st colleagues is taking cervical spine films, routine procedure in all patients—"assuming," says Dr. Austin, "they're stable enough that we don't have to open the belly or chest immediately. This film is given a lot of lip service in medical circles," adds the surgeon, "but is rarely done unless there's some clinical indication for it—and that's usually paralysis. But most of these patients come in with no evidence of spinal cord injury. It's surprising how many of these patients do in fact have fractured necks without obvious neurological damage at that time."

Visualization of all seven vertebrae is, of course, a must, so the patient's shoulders are pulled down or he wears a cervical collar and any film that doesn't reveal C7 is repeated. If the cervical spine is normal, the patient is lifted into a sitting position for an AP chest x-ray. He is tilted slightly forward, as though he were standing for a standard PA chest film. He's being checked for a possible ruptured thoracic aorta, a prime suspect in all cases of shock-trauma, which can best be detected on an erect chest film as a widened mediastinum. Supine films aren't nearly as useful for this purpose since the mediastinum is normally widened in that position.

In a patient with cervical spine injury, you'll have to settle for a supine film, however. Just be sure that this film is read very carefully, warns Dr. Ayella, and that every structure in the chest can be identified. Of course, you can avoid the extra films altogether if the trauma couldn't possibly have involved the aorta, a diving accident, for example.

If the chest x-ray is at all suspicious, an aortogram is done, fast, to check out whether "the widening is due to rupture of the aorta, which requires immediate surgery, or just some bleeding from small vessels that's going to stop on its own," explains Dr. Ayella.

And here's where long experience and the emergency team approach really pay off. "One of the problems we're working on," says the radiologist, "is the fact that there's no aortography equipment made that will work satisfactorily in a multiple trauma unit." So the patient has to be moved to the x-ray suite in the main hospital. But "I can get through an aortogram in ten minutes, whereas it will take an hour, an hour and a half, up to four hours, at the average place. I now do this with all my arteriogram patients, just take them as if they're going through the emergency unit so I stay in trim."

Before the group started using the tilt technique, "we had a lot of false widened mediastinums," he continues. "But in the three years we've been doing it, we haven't had a patient go through an aortogram who didn't have a hematoma." Furthermore, adds surgeon Austin, "we've salvaged about 80% of patients with such ruptures.'

A few words from Dr. Ayella about a so-called ruptured aorta. Most ruptures involve only the two inner layers of the vessel. "You have what looks like tissue paper or Kleenex—the outer layer—still managing to hold in the blood. However, in eight of our last ten cases the aorta was completely torn across. Every one of those patients was saved; what happens is that the pleura, adventitia, and other tissues hold the blood in temporarily. But it's a big job to move these patients from the admitting area to x-ray so I won't do a rupture aorta unless I have an anesthesiologist there plus a surgeon standing by; if the patient's really bad we have two or three surgeons. And we bring over an entire kit for opening the chest right on the spot if we have to because we don't know at what instant one of those aortas is going to let loose. And then you've only got about four to five minutes, tops, to save them."

And they can do it. What with the patient's airway patent, the ventilator doing his breathing for him, replacement fluid running in, all monitors go, and with the light anesthesia and muscle relaxant, "we can move into an operation at the drop of a hat," says Dr. Austin. "We can literally hold on to the aorta while he's being transferred into the operating room."

The other films taken routinely right in the trauma unit are of the pelvis and skull. The limbs are x-rayed only when there's clinical evidence of a fracture. And here Dr. Ayella draws a picture of the "controlled chaos" at admission. "You have people moving in all different directions but each one is doing a specific job; the patient is having three and four procedures done on him at once. The main thing is to get him out of shock, of course, get in all the lines. Then we swing in our x-ray equipment." Plus the chest examination and the mini-lap, of course. And for the head-injured patient, two more diagnostic imperatives: cerebral pressure measurements and carotid angiograms.

A MONITOR FOR CEREBRAL EDEMA

Dr. Dermot P. Byrnes, attending neurosurgeon, describes this innovative addition to routine monitoring: "Let's say somebody comes in after an automobile accident. You know he's got a head injury; he's got a fractured skull—you can see it on the x-ray. Or

he's unconscious or you can't get any information from him. Or he's got a headache or he's disoriented. Now traditionally you watch that patient to see if he's going to develop signs of the head injury. And at the same time you may be trying to treat him prophylactically just in case.

"We routinely put a catheter into the ventricle of the brain to measure the intracranial pressure on any patient not showing signs of cerebral improvement. If the pressure goes up we can see it immediately and treat very specifically to decrease that pressure—by surgery or conservative means." The catheter is inserted—under local anesthesia if necessary—through a small, usually right, frontal scalp incision and a twist-drill bone opening into the right lateral ventricle.

As for carotid arteriograms, "people have been doing them since 1927," notes Dr. Ayella, "usually with sophisticated equipment and rapid film changes and all, but we do them with portable equipment." Meglumine iothalamate (*Conray*, Mallinckrodt) is injected into the carotid with the film behind the supine patient's head; then a film is put beside his head, a second injection is given, and a lateral film is taken. "What we're looking for is a blood clot or a tear in the vessels," he adds, "and they can be detected with this single-shot arteriography."

The institute's radiology section can be said to have, in fact, a regular floating arteriography service. If, for example, "we have a patient who has a fractured pelvis with evidence of internal bleeding," says the radiologist, "I'll just do a portable arteriogram right there, using the same technique but without a catheter. I put a needle into one of the femoral arteries and then shoot in about 30 cc. of contrast material by hand and time the film, taking one film and then possibly a second one, three or four seconds later. Or if a patient has a loss of pulse in an extremity, I'll do the same procedure to see if any of the arteries are torn."

Then there's the patient who's had to be hurried off to the OR for surgical management of obvious thoracic or abdominal bleeding. The portable x-ray there is put right to work for any necessary pinpointing or to check for other possible injuries. And, adds Dr. Ayella, "if we should happen to be doing an aortogram for a ruptured aorta on a patient with suspected head injury, I'll flip the catheter up into the carotid and I can do that exam at the same time."

There may well be a big plus for you in this aspect of the institue's experience. For, says Dr. Ayella, "the only piece of equipment we use in the trauma unit is a portable x-ray machine, which every hospital will have. So there's no reason that any of the things—except the aortograms and the specialized things we do in the x-ray department—can't be done by any hospital right in the emergency room."

ONE-STOP SURGERY

Needless to say, emergency surgery is almost SOP for institute patients. And here, too, tradition gives way to a new approach, the result of long experience with the severely and multiply injured.

"We attempt to do all the surgery that's necessary right after admission," says surgeon Cowley. "If the patient has an intracranial lesion that needs surgery and is also bleeding in the abdomen, then two teams of surgeons will be operating. The neurosurgeons will operate on the head while general surgeons are on the belly. When all that is completed, any fractures that need to be treated are taken care of. In short, as long as the patient's condition is stable, we'll continue all therapy or as much of it as possible."

The advantages of this one-fell-swoop approach? "For one thing the patient is anesthetized only once. You don't have to keep taking him back to the operating room. Then there are certain fractures that can't be simply splinted; if they're not treated by open reduction and internal fixation right away, they require traction. And most patients with multiple injuries, with chest problems, head injury, etc., can't be treated satisfactorily in traction. As a result we're more aggressive as far as open reduction and internal fixation are concerned, even if the fractures aren't ideal for such treatment."

"We fix the head, the chest, the abdomen, the bones, one after another in order of priority," continues Dr. McAslan. "The only reason we would cut the operation short is if we needed the operating room for somebody whose life was in danger. We even do plastic surgery as an emergency procedure to minimize the need for staged procedures later on."

Adds Dr. Cowley: "When you operate on the multiply injured, you're adding severe insult to injury; it's like making them get out of bed and run a hundred yards. If you can help it, you're not going to give him another 100-yard run down the corridor tomorrow and then two days later give him still another run while he's still trying to get over the first 100 yards. After multiple surgery, the multiply injured patient is, as far as possible, physically stabilized, and the body repair process starts immediately."

What, you may ask, about the patient with underlying serious illness who winds up in the institute—the diabetic, the heart patient? "For him," says Dr. Austin, "we treat the total system and do only the surgery necessary to save his life. Most of our patients, however, are young and healthy; the bulk of them are between 15 and 35 years old."

From the admitting area, patients are taken upstairs to a 12-bed critical care recovery unit where they're monitored continuously. And they're kept on a ventilator for at least 24 hours. "We know the oxygenation is perfect," says Dr. McAslan, "and so we can relax. After a day or so we evaluate him. Does he get treated like a more ordinary surgical patient? Or do we keep him a bit longer because he shows signs of incipient respiratory or renal or liver problems or because he's still losing blood and isn't absolutely stable? Until every organ in his body looks as though it's stable, we give him all the support we can. We don't let go until we're satisfied that the body has come to grips with the injuries totally."

PULMONARY PHYSIOTHERAPY

Most patients get a chest x-ray every day because "the leading cause of death in trauma units, after you've gotten them past the original repair work and shock, is respiratory failure," says Dr. Ayella. "So what we try to do is actually localize the exact segment of the lung that has mucus in it. Then we hold a conference every morning with the pulmonary physiotherapists so they can clean out those segments." Only rarely have they had to resort to bronchoscopy.

No, it's not impossible to pinpoint the involved segments, even on the supine AP films commonly taken in these patients. "We prove the accuracy of our chest x-rays—as well as the value of pulmonary physiotherapy—every once in a while by taking films before and 20 minutes after a treatment. What looks like a massive pneumonia—the result of a mucus plug—in the pretreatment film will be completely resolved afterwards."

Pulmonary physiotherapists aren't available everywhere, of course. What then? Nurses can do physiotherapy, says Dr. Ayella. "They won't compare with people who've been particularly trained in it but I wouldn't go back to using the bronchoscope. If I didn't have physiotherapists I would get whoever is caring for the patient to do it—nurses or the doctors themselves. The straight Jackson bronchoscope, the only instrument that will actually get the mucus out, is simply too traumatic. And the fiberoptic bronchoscope, though easier to pass, is not only still traumatic but it won't, in most cases, get the mucus out."

Finally, says Dr. Ayella, "we don't get shock lung," a record he attributes to the early use of PEEP to keep patients' alveoli from collapsing and the daily clearing of their lungs.

SEEING TO THE PSYCHE

In taking to heart that familiar old admonition to treat the whole patient—easier, and considerably more often, said than done—the institute hasn't overlooked the phychological trauma of severe multiple injury. And the time to begin treatment, says Dr. Nathan Schnaper, who is chief of psychiatry at the institute and professor of psychiatry at the University of Maryland, is when the patient is unconscious.

Most patients who are brought in unconscious remain so for three days to two weeks. But Dr. Schnaper's studies of the unconscious trauma patient reveal that many of them later report having had "bad dreams"—a common theme being they're imprisoned for some wrongdoing or are dead—and that they'd also heard fragments of the conversations at their bedsides (see EM, January 1976, p. 132). So institute personnel are instructed not only to avoid saying anything foreboding when working near such patients but to treat them as though they were conscious. Whenever possible both doctors and nurses comfort them by touching them, call them by name, explain every procedure they're going to do.

"Even though it's a one-way conversation, they'll say such things as 'Now you're going to feel a little needle. It's going to make you feel more comfortable in a few minutes. Now it's done.'"

Furthermore, when the patient regains consciousness, it's usually to total confusion. Unlike the elective surgery patient, he's not prepared for the tubes and oxygen and all the rest. At the time of his accident he had only a split second—if that—to be aware of what was happening. Now he not only doesn't know where he is but may be hallucinating, still in the terrifying grip of his "dreams."

He is, therefore, reoriented as quickly as possible—"Your name is so-and-so, mine is so-and-so, it's January 5, 1976, you're in such-and-such hospital," repeating it over and over. They say nothing to feed his fantasies or to imply that the staff may be making light of them—for instance, "How many 'ghosts' are holding you prisoner?"—but keep trying to bring him back to reality in a calm, reassuring way. And if he's hostile when he comes to, obviously it shouldn't be taken personally, says Dr. Schnaper, but this can be hard to do unless you're skilled at dealing with your own feelings. "Your inner self may be saying, 'Here I'm trying to help this bastard and look how the hell he's treating me,'" says Dr. Schnaper. "We see this with doctors taking care of dying patients, too. Here the doctor did the surgery on him, now the patient's got the *chutzpah* to die; it threatens his omnipotence."

Drawing on the institute's experience, Dr. Schnaper goes on to describe what you can do, in any hospital, anywhere, to help patients handle what may be the greatest emotional as well as physical blow of their lives.

YOU'RE THE DOCTOR

If the patient seems psychotic, don't be too quick to dismiss it as an intensive care unit psychosis. Check his psychiatric history: this may be a problem of long standing. Also rule out possible organic factors such as hypoglycemia or a still-uncovered neurologic

injury. Expect to see a great deal of anxiety and depression, comments Dr. Schnaper; after all, they're entitled to it. Some may need antidepressants or tranquilizers but unless you're familiar with psychotropic drugs and their interactions—for these patients are usually on several medications—call in a psychiatrist. Most of these patients don't need psychotropics or a psychiatrist, however; they do need to feel free to talk out their problems with you and the nurses. For example, many of them think that their dreams and hallucinations are evidence that they're "crazy." They need reassurance that this is perfectly normal.

Be aware, too, that dealing with the severely injured and dying can put you and the nurses under a tremendous emotional strain. Sometimes it's more than you might realize, sometimes more than you think you can handle. Dr. Schnaper cites the case of a child who was apparently dead when brought in by helicopter.

"I was standing by watching the team work on him when Dr. Cowley walked in. He said to me, looking at the table, 'How long have they been working on this child? I looked up at the clock and said, 'About an hour and a half.' Then he leaned over the table and said, 'Is this child salvageable?' "

Almost always, a fully trained, full-time surgeon on the staff serves as team leader; this time it happened to be a third-year surgical resident.

"Everyone backed away from the table but him. He didn't even hear Dr. Cowley; he was still working on the child. After a couple of minutes Dr. Cowley put a hand on his shoulder and said, 'Is this child salvageable?' The resident looked around the table and saw that everybody had moved away, so he backed away and the nurses started to wrap the child in sheets. It's the team leader's responsibility to tell the relatives, so he went out. Everybody was standing around; nobody talked; everyone was alone with his thoughts."

About ten minutes later the resident came back, tears running down his face. "He told me he couldn't be a surgeon, that he was going into his family's business. But then another call came through and they were able to resuscitate and stabilize this patient. The atmosphere became completely different. Everyone was kidding around, laughing and so on. It was great therapy. It always is."

Later, though, the resident came to see him, still upset. "He told me that at the hospital he'd come from everybody got emotional when somebody died. Here, he said, he never saw this emotionality. Furthermore, it turned out that he had a son about the same age as the boy. I reassured him that his tears were appropriate, that maybe he didn't see other people crying on the outside but all of us were crying on the inside for this little boy. He said he still wanted to be a surgeon but that he had to get used to the idea of being less emotional. I pointed out to him that this was a contradiction—that he was talking about wanting more emotionality and less emotionality at the same time. Basically, what I said to him was to be yourself, that though you lose a little bit of yourself when someone dies, your satisfaction would come from saving so many more lives than you lost."

Keep in mind, too, that you may come across tragedies that, instead of stirring your pity for the patient, may turn you molten with anger. For example, about one-fifth of the patients seen at the institute were drunk at the time of the accident. How would you react to the drunken patient who has cost the lives of innocent people, to the junkie who slipped into a narcotic haze and slammed head-on into another car, to the auto thief responsible for a fatal accident? Unless you're alert to your feelings, your anger can cost you good medical judgment or show itself in many subtle ways, says Dr. Schnaper. Instead of "explaining that you're going to anesthetize a cut, for example, you just go ahead and stick a needle into it. And you're not even conscious of what you've done."

A FAMILY AFFAIR

As in every tragedy, there are other victims besides the patient—his family. Not only can you be of great support during the acute phase of their anguish, but you can help lay the foundation that will enable the family to cope emotionally with a paraplegic daughter or a husband without legs. Indeed, unless they have some immediate help with their reactions to the accident and the patient, their future and his may be considerably bleaker.

The institute's family service division, directed by social worker Margaret Epperson, was set up to provide this help, which begins the very moment the family rushes into the institute after being notified of the accident. And a study Ms. Epperson has made of 230 families she's worked with offers you some fundamental guidelines to therapy. There's an "identifiable process" she says, "that these families go through to reestablish the equilibrium disrupted by the sudden crisis." It usually consists of six phases but members of the same family may go through them at different times and even react to them in different ways.

The first phase, obviously enough, is that period of almost unbearable anxiety when families are waiting for word from the admitting area. Although you're not yet able to tell them how the patient is, simply letting them know *where* he is and that he's receiving expert care can be of great help. Also try to get them to talk about how they felt when they were notified of the accident; these families have a tremendous need to ventilate these feelings. Usually all you have to do to start them off is to ask something like, "Can you tell me what happened when you got the phone call?"

Then once they get word from the admitting area, they usually go through the following phases over varying periods of time:

Denial. If the patient has died or is in critical condition, the most common types of reactions you get are, "How do you know the state police identified him correctly?" or "Johnny can't be paralyzed, I was talking to him an hour ago!" Don't try to *argue* them out of it but at the same time don't go along with the denial or say anything that might conceivably buttress it. Rather, as gently as possible, tune into their thinking: "I know it must be very difficult for you to realize Johnny is so badly hurt because you *did* talk to him an hour ago, but I'm sorry to say that he is paralyzed." Although these truths may always sound cruel, stresses Ms. Epperson, it's important that the family face stark reality as quickly as possible because what you're doing is of necessity short-term therapy. "You don't have lots of time and you have to prepare them for what is now and what's going to be later on." Although the family may go through recurring periods of denial, they can't begin to mobilize their strengths until they get over this acute phase.

Remorse. Here all the guilts and "if only's" pour out. "If only I hadn't given him the car." "If only I hid the gun." "If only I bought new tires." Working with the family as a group can have many advantages, for they frequently can help each other over the various phases, but whether you work with them together or individually, the most important thing is to foster trust in you. "They're wondering what you think of them and they need your reassurance that they're okay people. Not by saying such things as 'You're a fine man and it was all an accident'; that won't be helpful to him. These people have to be able to say it themselves and be able to say it more than once. Your job is to try to get them to the point where they can say there was nothing, or very little, they could have done to prevent whatever happened. You have to help them build a rationale for why they didn't buy those new tires, why they let him have the car."

Grief. Once the reality of the injury sets in, they not only grieve for what this means to the patient but what it means to themselves. The only "treatment" is to give them support, let them know that it's perfectly normal to feel this way, to cry. In fact, if they're clinging to denial, look for clues that will help you bring on this healthy grieving. "They often start off with something 'outside themselves.' For instance, a mother will say, 'The neighbors are going to miss him so much,' or 'The children really love him.' Move right in with something like, 'Tell me about him. It sounds like he was really appreciated.' What you're trying to do is get them to say, 'I'm going to miss him like hell,' to localize the grief within themselves."

Anger. This can take many forms, be covert or right out in the open. Frequently it goes in all different directions—the person who broke the news to them was rude; the staff, you included, did this or that. Although the anger may be difficult to take if it's directed at you, you've got to help them let it out; equally important, help them focus it on the right target. Was the caller actually wrong? What exactly did you or any of the staff do? You'll often find that the anger is really aimed at the *patient* but that the family had been too ashamed to admit it. "That damn kid!" "they'll frequently burst out. "Why was he driving so recklessly?" "I told him if he continued to cut down those trees one would fall on him!" If the patient was actually at fault, let them know it's legitimate to be mad; if he wasn't, help them see this too, of course. The important thing is that if you don't help them deal with their anger and put it in its proper place, you're going to have a lot of passive-aggressive angry behavior when the patient returns home and it's going to cut down on his potential for rehabilitation."

The last phase—the one you're striving to help them reach—is where they start to become reconciled to what's happened; where even though they're still trying to work through their anger and grief, they're beginning at last to try to think of solutions to the terrible dilemmas they now face. Where can they turn for financial support now that the husband will have to spend months in a rehabilitation center? Who will take care of the children while the wife works? Where will they get the emotional strength to meet the patient's psychological and physical needs once he's returned to them? Ms. Epperson emphasizes that here, too, you and others on the staff can do much to help in the planning, offering advice, directing them to agencies.

ONE PATIENT, ONE NURSE

The nurses at the institute work closely with the family service division to prepare the family for the patient's homecoming. Indeed, since the family service staff isn't on duty all the time, the nurses are frequently the first ones to meet with the family. And in *all* cases a nurse talks to the family after the physician has given them the diagnosis, the main purpose being to offer further emotional support. Moreover, since the families aren't allowed to visit the patients during their stay in the critical care unit—primarily to avoid infection—the nurses keep in touch with them by phone.

Although your hospital's intensive care unit may not have anywhere near the number of nurses who staff the institute's unit—42—much of their philosophy and approach to trauma nursing care can still apply. They've found it to be extremely important, for example, to have one nurse in charge of each patient. After talking to the family and assessing the complete situation, she

sets up the nursing plan and is responsible for it; if anyone wants to change it while she's off duty, he or she has to get in touch with her unless it's an emergency. The main advantage, says Jo Marie Walrath, head nurse in the critical care unit, is to ensure continuity of care; in many if not most hospitals, nursing plans can be altered by every shift. It makes life easier for the patient and his family.

"One time I stood by a cubicle," Ms. Walrath recalls, "and counted 26 people coming in contact with a patient—dieticians, laboratory technicians, and so on. What a primary nurse does is sort all of that out. Also, if the patient or his family want to discuss a problem they can contact her rather than having to go through ten other people, which is a big problem in nursing. If they have so many people to talk to they have nobody who really understands."

Although a critical care nurse obviously has to be highly adept at handling equipment and making fast assessments, Ms. Walrath warns that if your nurses *over*emphasize the technical aspects of their work it can also be deleterious to the patient.

"When I first came here three years ago, the nurses wanted to be sort of mini-doctors. They wanted to learn to do tracheostomies, put in subclavian lines, draw arterial blood gases. Well, I don't believe in that myself. That's the physician's role and we have the personnel to do it. The patient needs someone who *humanly* cares about him, somebody to talk to, to listen to, not only somebody who is equipment- and technique-oriented. Now we're finally at the stage here where the nurses don't want to learn just about everything a doctor does. They want to care for the patient on a human level and be coordinators of care."

Consequently, she adds, they're able to build a close relationship with these seriously injured and seriously troubled patients, hear problems and worries the patient might never have revealed. If he seems suicidal—and it's important to remember that many auto accidents are actually suicide attempts—or has any other problem the nurse feels she can't handle, she calls in the psychiatric nurse on the staff or psychiatrist Schnaper; but even so, her relationship with the patient has generally smoothed the way.

Finally, says Dr. Schnaper, soon after your patient's been admitted you should begin thinking about his discharge. Where can he best learn to use two prostheses? Should he go to a school for the blind right away? It's essential to start thinking of this early rather than to explore it with him toward the end of his stay. The sooner he's able to get at and vent his feelings—to you, a nurse, perhaps a psychiatrist—the easier the rehabilitation process will be. "Anyone in rehab work will tell you that unless a patient is psychologically ready and motivated he will not progress in his rehabilitation," affirms nurse Linda Summey, the institute's discharge planner. It's not enough, she says, to gently lift a patient into an ambulance and wish him well during his stay at a rehab center, pleased you've been able to save still another life. For unless you've helped prepare him emotionally to share a ward with six other paraplegics or to stare down a shiny artificial leg, he may curse the moment you gave him back his life.

No doubt about it. A trauma center like the Maryland Institute for Emergency Medicine within easy transportation distance from your community is something dearly to be desired. And if you're one of the great majority of American physicians, you're not going to get one in the near future. But the most exciting and positive finding to come out of this sophisticated and very specialized facility is that you already have practically everything you need right there in your own hands and your own very basically equipped emergency room. A few really simple innovations, a lot of practice in the standard techniques, and a serious effort to develop teamwork with your colleagues do not a great trauma unit make—but the badly smashed up patients who continue to be rushed to the "nearest hospital" will have a much better chance of making it if you're ready for them.

NATIONAL DEVELOPMENT BANK ADVOCATOR

Mr. SPARKMAN. Mr. President, above everything else, during his long years of service on the Joint Economic Committee, Wright Patman wanted the economy of the Nation to work for the little man—the people who build the country up in peacetime and go out and defend it in time of war. If the economy did not function in a way that gave the people the opportunities they needed to make better lives for themselves and their children, then it was not working right at all, as far as he was concerned.

To him, an economy that worked right meant the availability of adequate credit on reasonable terms so that people could buy homes and farms and start or improve small stores and manufacturing plants. It meant being able to borrow funds needed for education and to purchase cars and appliances and all the other items that all of us depend on in our daily lives.

He was convinced that if our system did not provide a constantly expanding job market and the opportunity for all the people to share in the things their jobs produced at prices they could afford, then Congress and the administration were failing to meet one of their most important responsibilities. To him, America was a promise to give people the chance to realize their potential and to have a chance to earn a fair share of the Nation's wealth.

That is why he insisted throughout so much of his long and productive career in Congress that a National Development Bank should be established and continually maintained to channel adequate credit on reasonable terms to the priority areas of our economy, to low- and moderate-income housing, to public works, and facilities for State and local governments, to small- and medium-size business and industry. In his eyes, a Development Bank could be a mechanism to protect the little people of the Nation from drastic swings toward tight money and high-interest economic conditions that have occurred, almost with predictable regularity.

In effect, the bills that he introduced and tenaciously supported over the years to establish a National Development Bank were calls to Congress to fulfill the promise of America to the little people by providing them with a lender of last resort they could depend on when they could not obtain the funds they needed from any other source at fair and reasonable cost.

He was determined to create a peoples' bank for the little man, a bank that would be funded largely through the sale of obligations that would be fully guaranteed by the Government.

To Wright Patman, that guarantee would be an expression of the faith and confidence he knew the people of this Nation have in each other.

We need hardly be reminded of the hard evidence around us that Wright Patman was correct in this proposal. That is why the Joint Economic Committee's annual report of 1976 contains a recommendation for establishment of a National Development Bank. It is a recommendation that I sincerely hope is soon made into reality.

VETERANS' EDUCATION BILLS

Mr. MONTOYA. Mr. President, when Congress enacted the veterans' readjustment benefits to assist veterans in completing their education, we recognized not only the value of higher education, but also the debt we owed to those who had sacrificed for their country and who had lost precious years when they normally would have been in school.

Originally, veterans had 8 years from the date of discharge to take advantage of the GI bill educational entitlement. If discharge had taken place prior to the date of the May 1966 act, the veteran still had 8 years during which he or she could use this benefit. Two years ago, Congress recognized that 8 years was not long enough for the successful completion of postsecondary education, especially when the process was slowed by the responsibilities of a family and a job. To rectify this, a 2-year extension was granted making the cutoff date May 31, 1976. We are now approaching that cutoff date and it is once again time for us to reconsider the value of education, both to the student and the Nation, and to take steps which would insure the continuation of this vital support for all veterans.

The investment made so far in the postsecondary education of our veterans has more than paid for itself in better jobs and higher wages for veterans, and additional tax dollars for the Government. The greatest benefit, of course, is the benefit to the Nation in having better educated manpower for our national work force. Moreover, as long as a full set of benefits have been earned, it is arbitrary and capricious to terminate this entitlement without providing a reasonable amount of time for their use. Many veterans of the Korean and early Vietnam era are facing the loss of their educational benefits as of May 31, 1976. Those who have not yet started school will receive nothing. Those in school already will see an end to their previous support. The question of how many veterans will never begin, or fail to complete, their education for lack of funds is one which I hope the Congress will never let be answered. I trust we will find the way to provide the educational support these men and women deserve.

There are three Senate bills which would achieve this effect. S. 2989, introduced by Senator HUGH SCOTT, provides a 5-year extension. S. 3222, introduced by Senators DURKIN and MCINTYRE, provides that benefits earned are available until used. S. 3226, introduced by Senator

BURDICK, removes the time limitations within which programs of education for veterans must be completed. So that there will be no question with regard to my position, I have cosponsored all three of these measures. The Senators who introduced them are to be commended for providing a means of relief for a serious and pressing problem. The Senators who vote on them should realize the urgency of this matter and support as fully and strongly and swiftly as possible an extension or elimination of the time period during which veterans educational benefits must be used.

The cost to the taxpayer for this educational program will be very small in relation to the benefits to be realized by our Nation's veterans, and by the Nation itself, in future years.

GERMANS BARRED FROM THE HOMELAND

Mr. BUCKLEY. Mr. President, in the month of November 1974 I visited the Soviet Union and had several conversations with the distinguished Soviet physicist and humanitarian, Andrei Sakharov, at his home in Moscow. Among other things we discussed the plight of a large ethnic group known as the Volga Germans. This ethnic group numbers approximately 2 million. Their ancestors migrated from Germany to Russia during the reign of Catherine the Great. Unitl 1942 they were resident primarily in a constituent republic of the Soviet Union, the Volga German Republic. In one of the Soviet Union's many bloody forced deportations of ethnic minorities, the entire Volga German population was transported to the central Asian Soviet areas of Kazakhstan, Kirghiz, and Tadzhik. Those who survived were put to work in the mines and farms of the area. They have retained a high degree of ethnic cohesion and identity.

Their plight came to the attention of Dr. Sakharov despite the best efforts of the Soviet secret police apparatus, the KGB, to prevent it. In 1974, at the risk of their lives, 20 elders of the Volga German community in Kazakhstan collected a list of 6,000 families numbering 25,000 to 30,000 individuals who wished to emigrate to Germany. The individuals who collected the names were swiftly arrested and left to the mercies of the Soviet police apparatus for their efforts. Nevertheless the scraps of paper were collected and sent to Moscow where I brought them out of the country. The names were turned over to the West German Government as well as the Red Cross. Regrettably, the West German Government does not intend to press the case of the Volga Germans with the Soviet Government because of their policy of détente with the Soviet Union. Emigration of such a large number—according to Dr. Sakharov, virtually the entire Volga German population wishes to leave—would be too telling an indictment of the Soviet system within West Germany for the Soviets to tolerate with good grace.

The sad story of the Volga Germans has been published recently in the German language edition of the Readers Digest entitled, "Germans, Barred From the Homeland," by Klaus Einar Langen, editor of the Frankfurter Allgemeine Zeitung, a leading West German daily newspaper.

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

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

GERMANS, BARRED FROM THE HOMELAND

(By Claus-Einar Langen)

"Twenty-nine years after World War II, the time has come to open the borders. Whether you like it or not, Comrades, I shall one day return to Germany!"

Erich Abel, a Soviet citizen of German ancestry, uttered these defiant words on January 22, 1975, before a Soviet court in the mining town of Karaganda, in the Central Asian Soviet republic of Kazakhstan. The verdict: "Three years imprisonment for defamation of Soviet authorities, participation in a petitioning campaign and other illegal activities."

Abel's case is not an exception. Currently, more than 1.8 million ethnic Germans are living in the Soviet Union. (Their ancestors were called into the country in the 18th century by Catherine the Great and, later, by her grandson, Czar Alexander I.) Experts estimate that about one million of these people wish to emigrate to West Germany but those who petition to do so may come under the pressure of local authorities and the KGB or even face jail. Nevertheless, demonstrations continue and on September 30, 1973, the military had to be called out to control more than 20,000 prospective emigrants who had gathered for a protest march in Karaganda.

The main reason given by those who desire to resettle in West Germany is the intensified pressure of Russification. Their cultural autonomy is interfered with, German-language schools do not exist even where the local population is predominantly German-speaking. The Karaganda districts of Melkombinat and Kirzawod, for example, count a German background population of some 25,000. Yet some children receive only two hours of instruction per week in their mother tongue. Generally, parents must request such instruction in writing.

Why is Moscow so determined to keep these people against their will? Perhaps the most obvious answer comes from the Asian parts of the Soviet Union, where today, some 986,000 people of German stock live in the Kazakhstan, Kirgiz and Tadzhik republics. These are frontier regions, rich in natural resources, and Soviet Germans play a highly important role in developing them. As Anastas Mikoyan, then chairman of the Presidium of the Supreme Soviet, declared in 1965: "It is conceivable today to open new frontiers without the Germans."

But no matter in what part of Russia Soviet Germans now live, to get to their historic Western homeland, they must bear with incredible hardships. Take the case of Wilhelm Messerschmidt, born October 12, 1926. Born in a village on the Black Sea, he was deported at 15 to Kazakhstan. In 1970, he moved with his family to the Estonian capital of Tallinn, from where he thought emigration might be easier. While his wife, a daughter and two sons supported the family. Messerschmidt wrote petitions, studied applicable laws and informed himself about civil rights in other countries.

At Easter 1973, Messerschmidt went to Moscow where, with 45 Estonians, he took part in a sit-in demonstration at a Moscow post office. Their banners read: "We are Germans and want to go to Germany." Soviet soldiers forcibly took the demonstrators back to Tallinn, where they were locked up for several days. In February 1974, Messerschmidt, accompanied by his son Alexander, once again went to Moscow. In support of their plea for emigration, they cited Article 12 of the International Covenant on Civil and Political Rights: "Everyone shall be free to leave any country, including his own." The visit was fruitless.

Not until January 19, 1975—after threatening to publicly immolate himself and his entire family—was Messerschmidt allowed to take his family to West Germany.

He was lucky. The only chance most German ethnics have to emigrate is when they have relatives living in West Germany. And even then, some have waited 20 years or longer to be reunited with their families.

Consider Ukranian-born Margarete Gretzinger, whose family was resettled in German-occupied Poland in 1943. Two years later, she fled west to Cologne. Then, on the morning of October 23, 1945, her doorbell rang. Outside stood four Soviet officers who confiscated her identity papers and arrested her. Deported to Perm in the Central Urals, she was assigned to forced labor in an alabaster works.

In 1956, Margarete received permission to move to Latvia, where she learned about relatives living in West Germany. She corresponded with them, and began petitioning the Soviet government to let her join them. Over the years, she submitted five emigration applications. Always there was a negative reply. One official told her: "You never will emigate as long as I live!" Another said simply: "Your only way out is to hang yourself. Why don't you try that?"

But perseverance finally won out for Margarete Gretzinger, and, on October 24, 1974, she arrived in West Germany. The price had been high: imprisonment, a hunger strike and treatment at a psychiatric clinic.

The wait to be reunited with their families can often be just as frustrating for West Germans. Born February 1909, Alfons Schaaf, 67, who lives near Stuttgart, has tried ever since 1956 to bring his wife and daughter out of Russia. The Schaaf family belongs to the roughly 350,000 Soviet Germans who were resettled during World War II in German-occupied West Poland and Austria.

In the spring of 1945, Schaaf, who had been drafted into the German army, became a prisoner-of-war to the Americans. At the end of the war, the Soviets deported his family from Poland to Novosibirsk. After the general Soviet amnesty of 1955, Frau Schaaf moved with her daughter to Karaganda.

In February 1956, she wrote the International Red Cross in Geneva: "I sincerely beg to be reunited with my husband and the father of my child." To no avail. Today, Frau Schaaf is living in the Moldavian Soviet Socialist Republic where she, her daughter, her son-in-law of German descent and her two grandchildren are still waiting for exit visas.

The West German government does not publicize such individual hardship cases. Soviet intransigence is taken for granted, and questions about family reunion are treated within "the framework of the possible." The fact is, that since the German-Soviet treaty of August 12, 1970, an increasing number of Soviet Germans—half of them from the European part of the USSR—have been allowed to join West German relatives, with 5,985 coming over in 1975 alone. However, since only 35,000 Soviet Germans meet requirements for family reunion, the pool of eligible returnees is bound to dry up soon—unless Bonn exerts more pressure.

Especially pitiful is the fate of Soviet Germans (as of this writing, 14 were known by name) whose emigration efforts have resulted in KGB persecution, jail and deportation to the Soviet interior. Most were summarily sentenced to three years in a general

labor camp. They are not allowed to receive mail from abroad.

Soviet Germans view Andrei Sakharov, Nobel Peace prize-winner and outspoken government critic, as their most effective spokesman. "The Germans have suffered in the highest degree from the cruelties of deportation, persecution, discrimination, deprivation of their culture, and constant national humiliation," he has stated publicly.

Early in November 1974, Sakharov turned over to U.S. Senator James Buckley, then visiting Moscow, a list of 6,000 Soviet-German families seeking emigration. On November 18, in Bonn, Buckley gave this list to the West German government. It was later submitted to the Red Cross. Senator Buckley wrote to the Landsmannschaft der Deutschen aus Russland e.V. that he hoped the West German government would exert all necessary diplomatic pressure.

Senator Buckley expects Bonn to go further than the federal government appears willing to go. Bundestag debates have made the German position clear: Moscow is to be given no excuse to accuse West Germany of interfering in internal Soviet politics. In an explanation before the Bundestag on January 23, 1975, State Secretary Karl Moersch stated that none of the would-be emigrants listed "had ever had any legal ties with West Germany." The Bonn government thus lacks any legal justification for negotiating their emigration with the Soviet Union.

However safe the Bonn government may feel hiding behind legal casuistry, it will not escape its moral obligation to help the persecuted. The freedom of the individual weighs more than political détente or the legal aspects of citizenship.

What then, can and should our government do?

At the conference on security and cooperation in Europe last summer, an agreement was reached by all participants, including the Soviet Union, that human interrelations should be facilitated. It is up to our government to take the Russians at their word and demand the release of those ethnic Germans who want to emigrate.

Our government should demand compliance with the Universal Declaration on Human Rights.

The German Foreign Office should exert constant pressure on Moscow to speed up emigration applications that have been deliberately delayed for years.

The outcome of German-Soviet negotiations (economic, political or cultural) should be connected to the fate of those Soviet Germans who want to leave that country.

And here is what you can do:

Write to your elected MP drawing his attention to the lot of the Soviet Germans.

Ask your local Red Cross to tell you where there are Soviet German emigrants in your community. Help make these new fellow citizens adapt to the homeland they have yearned for so long.

Any pretense of dealing with this tragic situation as if it were only a legal or political issue is an abandonment of our basic principles as a free and democratic society. The Soviet Germans are suffering for their belief in human rights, and they have clearly asked for help. It does not become us to slam the door in their faces.

OAKLAND, CALIF.'S EAST BAY SKILLS CENTER

Mr. TUNNEY. Mr. President, I would like to take a moment to bring to the attention of my colleagues an outstanding manpower program in Oakland, Calif., which, this month, will celebrate its 10th anniversary.

The East Bay Skills Center, located at 1100 67th Street, Oakland, is an outstanding example of a jobs program that works. Over the course of its 10-year history, the center has graduated more than 15,000 skilled workers in fields ranging from engineer's aide to licensed vocational nurse, to clerical worker. Job placement upon graduation has remained high—over 85 percent—even in these days of chronic unemployment. Consistently, three out of four graduates are immediately placed in jobs to provide needed skilled services to the population of northern California.

The East Bay Skills Center is probably the only agency of its type to have survived a decade of rapid changes throughout the society of which it is a part. Undoubtedly, this is a direct result of a dedicated staff, a hardworking student body, and a receptive community all working together to train people and provide them meaningful employment. The center has a fine rapport with the community at large—business, industry and labor. The faculty has found that tailoring its program to the needs of the labor market as well as the needs of the students provides an ideal working atmosphere, and a certainty of success.

Again, I want to congratulate the outstanding staff and students on this, the 10th anniversary of the EBSC. Their past record is to be commended, and their future success realized.

THE IMPACT OF ECOLOGICAL DETERIORATION ON AGRICULTURE

Mr. HUMPHREY. Mr. President, I would like to call the attention of my colleagues to an article by Erik P. Eckholm of Worldwatch Institute entitled "Losing Ground: Impending Ecological Disaster." This appeared in the March/April 1976 issue of the Humanist and is based on his recent book, Losing Ground.

In this article, the author discusses the effect that our disregard for ecological systems has had on agricultural productivity, rural development, and the incidence of famine. Eckholm states:

A far deadlier annual toll, and perhaps an even greater threat to future human welfare, than that of the pollution of our air and water is that exacted by the undermining of the productivity of the land itself through accelerated soil erosion, creeping deserts, increased flooding, and declining soil fertility. Humans are—out of desperation, ignorance, short-sightedness, or greed—destroying the basis of their own livelihood as they violate the limits of natural systems.

Eckholm urges that ecological impacts be given a higher priority in the rural development of developing nations and in our own domestic policies. In terms of U.S. development assistance policies, he stresses the need for incorporation of an ecological perspective. Eckholm finds that—

Ecological degradation is to a great extent the result of the economic, social, and political inadequacies . . . it is also, and with growing force, a principal cause of poverty. If the environmental balance is disturbed, and the ecosystem's capacity to meet human needs is crippled, the plight of those living directly off the land worsens, and recovery and development efforts—whatever their political and financial backing—become all the more difficult.

Without giving more attention to the ecological effects of development policies, Eckholm fears that less of the land in developing countries will be productive, and more people will have to depend on the U.S. exports for survival.

Mr. President, I ask unanimous consent that this article be printed in the RECORD.

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

LOSING GROUND: IMPENDING ECOLOGICAL DISASTER

(By Erik P. Eckholm)

THE UNDERMINING OF FOOD-PRODUCTION SYSTEMS

Coaxing enough food from the earth has traditionally been guided by a certain simple logic: plow more land, intensify labor, refine techniques, and the supply of food will grow commensurately. But this has been the logic of humans, not of nature, and today's newspaper headlines tell with increasing frequency a different, more puzzling story. Millions of individuals, and sometimes whole countries, are learning the hard way that more work doesn't necessarily mean more food—that it may mean fatally less.

A Somali nomad builds his herd to record size, but the land is overgrazed, his cattle grow thin, and sand dunes bury pastures. A farmer in northern Pakistan clears trees from a mountain slope to plant his wheat; soon after, fields downstream are devastated by severe floods. In Indonesia, a peasant burns away luxuriant hillside vegetation to plant his seeds; below, rice production drops as soil washed down the mountain chokes irrigation canals.

Over the course of ten thousand years humans have successfully learned to exploit ecological systems for sustenance. Nature has been shaped and contorted to channel a higher than usual share of its energies into manufacturing the few products humans find useful. But while ecological systems are supple, they can snap viciously when bent too far. The land's ability to serve human ends can be markedly, and sometimes permanently, sapped.

The international discussion of environmental quality has, like that of many other topics, been largely preempted by the rich industrial world. The term environmental crisis joined the lexicon of journalism and politics only within the last decade, in response to the visible *spread* of acrid air and poisoned waters. Even within the field of agriculture, concern for ecological damage usually focuses on the polluting impact of misused chemicals.

These problems are pressing enough, and deserve all the attention they have received and more. Yet in the world war to save a habitable environment, even the battles to purify the noxious clouds over Tokyo and Sao Paulo and to restore life to Lake Erie are but skirmishes compared to the uncontested routs being suffered in the hills of Nepal and Java, and on the rangelands of Chad and northwest India. A far deadlier annual toll, and perhaps an even greater threat to future human welfare, than that of the pollution of our air and water is that exacted by the undermining of the productivity of the land itself through accelerated soil erosion, creeping deserts, increased flooding, and declining soil fertility. Humans are—out of desperation, ignorance, shortsightedness, or greed—destroying the basis of their own livelihood as they violate the limits of natural systems.

Not surprisingly, the principal victims of these trends are the world's poor, who, in their quest for food and fuel, are often forced by circumstances and institutions beyond their control to serve as the agents of their

own undoing. Though poverty is often associated with a pristine environment, and affluence with despoliation, in some important ways the poor are damaging the environment even more than the rich.

The littered ruins and barren landscapes left by dozens of former civilizations remind us that humans have been undercutting their own welfare for thousands of years. What is new today is the awesome scale and dizzying speed with which environmental destructions is occurring in many parts of the world. The basic arithmetic of world population growth reveals that the relationship between human beings and the environment is now entering a historically unique age of widespread danger. Whatever the root causes of suicidal land treatment and rapid population growth—and the causes of both are numerous and complex—in nearly every instance the rise in human numbers is the immediate catalyst of deteriorating food-production systems. The number of humans reached one billion in about 1830, perhaps two million years after our emergence as a distinct species. The second billion was added in one hundred years, and the third billion in thirty years. One day in late 1975, just fifteen years later, world population reached four billion. At the present rate of growth, the fifth billion will come in thirteen years, and the sixth in ten years after that.

Seldom does the imagination translate these inconceivable abstractions into the events on the ground that give them meaning: farmers forced onto mountain slopes so steep that crops and topsoil wash away within a year; peasants making charcoal out of forests that are essential for restraining flood waters and soil erosion; drought-prone pastures plowed up for grain despite the high odds that a lifeless dust bowl will ensue. In some respects, these are Malthusian phenomena with a twist. Exponentially growing populations not only confront a fixed supply of arable land, but sometimes they also cause its quality to diminish. However, a second addendum to Malthus's gloomy formulation is also crucial. Today the human species has the knowledge of past mistakes and the analytical and technical skills to halt destructive trends and to provide an adequate diet for all, using lands well suited for agriculture. The mounting destruction of the earth's life-supporting capacity is not the product of a preordained, inescapable human predicament, nor does a reversal of the downward slide depend upon magical scientific breakthroughs. Political and economic factors, not scientific research, will determine whether or not the wisdom accumulating in our libraries will be put into practice.

This is not the first effort to spotlight self-defeating efforts to expand the supply of food, and it most certainly will not be the last. Earlier in this century a number of analysts, concerned primarily with the threat of soil erosion, catalogued the ecological calamities impending if humans did not change their ways.[1] Erosion was sometimes painted as the greatest single threat to the future of human civilization. In the 1930s, as the Great Plains heartland of North America wasted away into the Dust Bowl—one of the century's more dramatic environmental debacles—previous warnings achieved an air of prophecy.

Then as the Great Plains were recovering from their human-caused infirmity, World War II created environmental disasters of a different type and scale and was followed by an era of economic expansion such as the world had never seen. World agriculture, too, entered an era of remarkable gains with global grain output far outpacing population growth since the late forties. Headlong economic growth in richer countries, and in small pockets of the poorer countries, creates new environmental challenges as the refuse of industrialism piles up, but earlier predictions that land degradation would be humanity's downfall seem to have been disproved by history.

Or have they? The continuing growth in world food output and the remarkable climb of the gross national product in most countries, rich and poor, over the last two decades mask some basic facts that add up to a different story. National income averages conceal the billion or more people locked in cycles of abject poverty, misery, and exploitation, many of whom live in worse conditions than their parents did. World, and even national, food output totals conceal the stagnant or deteriorating productivity of huge numbers of farmers in the poorer regions and countries. Such figures veil the half-billion people suffering chronic malnutrition in the best of years, and the hundreds of millions who join their lot when food prices soar, as they have in the mid-seventies. The statistics of progress ignore the swelling urban shantytowns filled with refugees from untenable rural situations. In short, the aggregate figures for growth, of both agriculture and economies, disregard the casualties and the cast-offs of the global development process.

The wretched lot of one-fourth or more of the world's people has not, of course, gone unnoticed. Through both national and international channels, many billions of dollars and the talents of thousands of "experts" are earmarked each year for the agricultural progress of the poor. Broadly based rural development through agriculture, it is increasingly recognized, can ameliorate simultaneously many of the world's most acute social problems. Not only will more food be grown under the auspices of such programs, but it will be grown by those who most need more nourishment and income. By providing greater income and employment in rural areas, properly designed agricultural devlopment can help stem the flow of migrants to the cities. And with improved social conditions, the rural poor may well follow the historical path toward smaller families. Yet somehow, in many regions of many countries, things don't seem to be working. All the money, all the research, all the experts have done little for those on the bottom. What has gone wrong?

Looking at this dark side of the development record, analysts find many culprits. Depending on personal prejudices, the economist may see a failure to generate adequate capital for raising productivity, imperfect markets for labor, capital, and technology that impede efficiency, or systems of trade and investment heavily weighted against the well-being of the poor. The sociologist may see tradition-fixed cultures incapable of assimilating the requirements of "modernization," or socio-economic structures that compel the poor to live recklessly. The political scientist may stress the absence of the administrative capacity to implement social change, or outline the power relationships that prevent the poor from taking control of their own destiny.

All these explanations contain truths, but an additional perspective that in many ways subsumes them all, and is almost always overlooked, is an ecological view that blends the study of human beings' place in nature with that of their place in society. A common factor linking virtually every region of acute poverty, virtually every rural homeland abandoned by destitute urban squatters, is a deteriorating natural environment. Ecological degradation is to a great extent the *result* of the economic, social, and political inadequacies noted above; it is also, and with growing force, a principal *cause* of poverty. If the environmental balance is disturbed, and the ecosystem's capacity to meet human needs is crippled, the plight of those living directly off the land worsens, and recovery and development efforts—whatever their political and financial backing—become all the more difficult. The soft underbelly of global rural development efforts, environmental deterioration, is often a neglected factor that severely undermines their effectiveness.

The glaring disregard of the ecological requisites of progress is at least partially attributable to the rigid compartmentalization of professions, both in the academic world and in governmental agencies. When reading the analyses of economists, foresters, engineers, agronomists, and ecologists, it is sometimes hard to believe that all are attempting to describe the same country. The actions of experts frequently show the same lack of mutual understanding and integration. Engineers build one dam after another, paying only modest heed to the farming practices and deforestation upstream that will, by influencing river silt loads, determine the dam's lifespans. Agricultural economists project regional food production far into the future, using elaborate, computerized models, but without taking into account the deteriorating soil quality or the mounting frequency of floods that will undercut it. Water-resource specialists sink wells on the desert fringes with no arrangement to control nearby herd sizes, thus ensuring overgrazing and the creation of new tracts of desert. Foresters who must plant and protect trees among the livestock and firewood gatherers of the rural peasantry receive excellent training in botany and silviculture, but none in rural sociology; their saplings are destroyed by cattle, goats, and firewood seekers within weeks after planting.

A failure to place agriculture in its ecological context has been apparent at even the highest levels of global policy-making. Nowhere were forests so much as mentioned in the dozens of resolutions directed to eliminating hunger passed by the Rome World Food Conference of November 1974, despite the accelerating deforestation of Africa, Asia, and Latin America and its myraid effects on food-production prospects. The editors of the United Nations magazine *Ceres* were not speculating idly when they wrote in early 1975: "It is no coincidence that the forests of all the countries with major crop failures in recent years due to drought or floods—Bangladesh, Ethiopia, India, Pakistan, and the Sahel countries—had been razed to the ground."[2]

Even without the impediment of professional or disciplinary blinders, recognizing and controlling the causes of environmental deterioration present special problems. Precise figures on ecological trends and their impact on agricultural systems are scarce. This does not make the trends any less real or menacing; it does suggest the excep-

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[1] Prominent examples in the English language include: G. V. Jacks and R. O. Whyte, *The Rape of the Earth—A World Survey of Soil Erosion* (London: Faber, 1939); Hugh Hammond Bennett. *Soil Conservation* (New York: McGraw Hill, 1939); W. C. Lowdermilk, "Man-Made Deserts," *Pacific Affairs*, Vol. 8, No. 4 (1935); Russell Lord, *Behold Our Land* (Boston: Houghton Mifflin, 1938); Fairfield Osborn, *Our Plundered Planet* (Boston; Little, Brown, 1948); Paul B. Sears, *Deserts on the March* (Norman: University of Oklahoma Press, 1935); William Vogt, *Road to Survival* (New York: William Sloane, 1948).

[2] "The Nurturing Forest," *Ceres*, Vol. 8, No. 2, (March-April 1975), p. 4.

tional difficulty of isolating and measuring these factors.

The symptoms of ecological stress are often confused with their causes, in part because the more visible environmental disasters are usually precipitated by a harsh turn of nature, such as prolonged drought or excessive rainfall. When topsoil clouds the air in the Great Plains or the African Sahel or when record floods rise in India, it is tempting to place full blame on nature. It is easy to ignore the human role in making a region vulnerable to damage far more drastic than inclement weather alone would cause. Under some conditions the stresses mount almost invisibly, gradually building force until the system suddenly explodes with an unexpected fury. This has happened before and will happen again. The question to be answered is not whether but where future ecological debacles will detonate—and with what casualties.

World fisheries present an instructive, readily measured example of what happens when too much is demanded of a food-producing ecosystem. In this case it is more often the rich than the poor who have neglected ecological reality and reaped the penalties. While the differences between farming the land and extracting food from the oceans are obvious, declining catches in numerous regional fisheries demonstrate clearly that greater effort and investment can bring not just diminishing returns but, as fish stocks are depleted by overfishing, *negative* returns. And in the early seventies, the sum of these local pressures produced a three-year sustained drop in the total *global* fish catch. We must now ask how many localized land regions have already experienced similar absolute declines in food output due to environmental degradation—and how many entire countries may be following suit, as some in central Africa apparently have already.

Rapid population growth, miserable social conditions, and environmental deterioration form the ultimate vicious circle. Improved living conditions and economic security encourage smaller families, yet steeply climbing populations undermine the effort to provide adequate nutrition, health care, education, and housing, and drain funds and energies from productive investment. New technologies can often increase the ability of even fragile ecosystems to produce food or other goods for humans, but burgeoning populations bound by poverty and traditional techniques can drastically impair the land's life-support capacity.

The sterile debate those who advocate attacking this conundrum mainly from one side or another grows more shrill with each passing year. Simply inundate the poor with birth-control devices, some say, and development prospects will soon improve. Concentrate on social reforms and economic progress, others say, and the population will take care of itself. Many forget that these issues form a circle, not a square, and thus have no distinct sides. The only alternative at this stage of human history is to simultaneously meet this quandary at every point along its circumference, in an all out effort to turn the negative chain reactions into positive ones.

Billions of human beings are still denied access to family-planning services, though surveys of parents in even the poorest countries often reveal a gap between desired and actual family size. A redistribution of power, land, and social services can improve the prospects of the world's dispossessed and also pull down birth rates. Yet reform and development efforts will not achieve their aims if they are not also suffused with an ecological ethic that recognizes the conjugal bond between humankind and the natural world from which there can be no divorce. Environmental deterioration requires direct attention in its own right; at the same time, the balance of nature will not be preserved if the roots of poverty, whatever they may be, are not eradicated.

ENVIRONMENTAL STRESS, FOOD, AND THE HUMAN PROSPECT

It would be a great mistake to view the various ecological trends discussed here as isolated, localized threats. Local threats they are, but unfortunately they also form a mosaic whose patterns help define many of the key global concerns of our age—issues which, directly or indirectly, will touch upon the lives of nearly everyone.

Few realize the extent to which the countries of the world as growing dangerously dependent on North America for food supplies, a trend to which the ecological deterioration of food-production systems contributes. As recently as the mid-1930s, Western Europe was the only continent with a grain deficit. Africa, Asia, Latin America, North America, the Soviet Union and Eastern Europe, and Australia all produced a small food surplus. To be sure, malnutrition was rampant among the poor of Africa, Asia, and Latin America, but in the commercial market each of these continents produced more food than the numbers and purchasing power of its inhabitants could consume.

The ensuing four decades have been marked by both general progress in reducing malnutrition in the world and a story attrition of sellers in the food market. One by one continents have dropped from self-sufficiency to become net importers of food. In the mid-seventies, North America and Australia are the only regions with a net grain surplus, and North America controls a larger share of world grain exports than the Middle East does of world oil exports.

Europe, Japan, and the Soviet Union, all relatively affluent areas with a rising consumption of grain-fed livestock products, are the major importers, but many of the poor countries, too, have gradually become more dependent on outside purchases to meet their minimum food needs as local production fails to keep pace with human numbers. A new current in the food market is the escalation of food imports by several of the oil-exporting countries, where, among at least part of the population, soaring incomes are boosting food demands far more rapidly than archaic and sometimes deteriorating agricultural systems can be modernized.

An extrapolation of current trends into the next decade and beyond leads in directions that bode ill for all countries, rich and poor. In their preparations for the 1974 World Food Conference, the U.N. Food and Agriculture Organization analysts concluded that, if the production trends of the past decade continue, the expected growth of populations and incomes in the developing countries will produce a widening imbalance between food demand and production. Among the non-Communist developing countries, in fact, the need for grain imports may multiply fivefold between 1970 and 1985, reaching a net total of some eighty-five million tons per year.[3]

To the extent that the poor countries can fill this massive gap through food purchases abroad, claims on the exportable supplies of the few surplus countries—and especially the United States, the dominant global seller—will multiply. But as the world has learned since 1972, the chronic surplus-production capacity, large reserve stocks, and low, stable prices of the preceding two decades can no longer be taken for granted. Thus a growing drain on exportable supplies could well intensify inflationary pressures in all countries, as international demand pulls food prices up and forces costly investments that bring diminishing production returns in the agricultural sector of the advanced countries. The point could be reached where the sum of national grain import needs chronically exceeds the level North America is willing or able to supply, leaving heavy importers in a dangerous position. Furthermore, for the poor countries, the wholesale diversion of scarce foreign exchange from productive domestic investment to the purchase of food abroad would cripple economic development efforts.

Unpalatable as the latter prospect is, the more likely alternative is even more menacing. Given the past economic record and foreseeable economic future of many of the poorest countries, a good share of the potential food gap will probably be left unfilled by the commercial market. If so, scarcity will manifest itself in a rising incidence of malnutrition and premature death, the common assumption of steady historical progress toward a better life for all shattered. Under these circumstances the more affluent countries, particularly those with a food surplus, will face choices and responsibilities so politically sensitive that they may not be able to deal with them rationally. What portion of the exportable food should be reserved for charity, what portion for cash customers? Should domestic consumers alter their diets to make food available for the impoverished abroad? Are food gifts to needy countries moral or even responsible if they encourage greater tragedy in the future? Bitter debates over questions like these have already broken out in the United States; should international scarcity persist or recur and should food aid needs multiply over present levels, these thorny issues will become all the more acute and divisive—and the lives of more and more human beings will hang on the answers given.

Hearing talk of food shortages and future production constraints, some scientists calculate reassuringly that, with present-day technology put to work on all potentially arable lands, planet Earth could feed fifteen, twenty, or even forty billion inhabitants. But rarely does the real world of human events intrude upon theoretical computations wearing such a gaunt face as it does in the case of food.

As the cost of further yield-gains in the more advanced countries becomes harder to bear, and as the fossil fuels that undergird the most productive known agricultural systems become dearer, visions of adequately feeding a world population doubling over the next forty years (let alone one redoubling after that) will likely grow dimmer. Even as capital and energy considerations hamper the realization of hypothetic agricultural potential, every ton of fertile topsoil unnecessarily washed away, every hectare claimed by desert sands, every reservoir filled with silt further drains world productivty and spells higher costs for future gains in output. The levels of social organization and technical sophistication required to extract higher yields from the land will also climb as the natural productivity of ecosystems is impaired.

For economic as well as political reasons, then, the loss or degradation of arable land anywhere concerns everyone. The ecological deterioration of agricultural systems is most severe in poor countries. But it must be viewed in the context of a world food economy from which the comfortable margin of surplus of previous decades seems to be disappearing; of a world in which inflation, caused in part by unstable food prices, has emerged as one of the key economic challenges of the decade; of a world in which extreme dependence on one geographic region for food exports dramatizes the fabled foolhardiness of placing all our eggs in one basket. In today's market conditions, a loss of productive capacity in Algeria, to take one example, has

[3] United Nations World Food Conference, *Assessment of the World Food Situation, Present and Future* (Rome, November 5–16, 1974). EConf. 65/3.

a direct effect on the world price of wheat. Decades of environmental degeneration, recently capped by drought, have forced Algeria to purchase some two million tons of wheat—well over half the country's grain supply—on world markets in 1975.

Losses of productive capacity due to environmental stress must also be considered in the context of the reckless, inadequately measured takeover of current and potential farmlands by urban sprawl and other competing uses, a myopic activity occurring in both rich and poor countries. In the United States, for example, at least 240,000 hectares of cropland, including some land of the highest quality, are annually engulfed by urban and transportation development, reservoirs, and flood-control programs. In over-crowded Egypt, over each year by cities, roads, factories, and military installations—rivaling the new lands annually reclaimed for agriculture.[4] Land losses to nonagricultural uses join the losses to environmental deterioration to reduce the ability of our planet to produce food.

Discernible trends of deterioration, viewed against the ineluctable curve of population growth, raise the additional possibility that catastrophic agricultural collapses over large areas, causing famines and requiring major international emergency-relief efforts, will occur with increasing frequency. This contingency exists irrespective of any possible global climatic changes, which would by themselves raise the incidence of crop failures.

As human-caused stress on an ecosystem builds, whether on the hillsides of Java and Pakistan or the rangelands of Botswana and Afghanistan, the capacity of the vegetation and land to withstand climatic extremes intact is exhausted. What might have been a difficult period of low rainfall becomes a period of famine and abandonment of once productive fields to desert sands; what might have been a serious flood becomes a calamitous one, washing away a year's harvest and a layer of fertile topsoil that took many centuries to build. In mid-1975, large-scale famine-relief efforts were undertaken in parts of Somalia, Ethiopia, and Haiti; in each case the immediate cause of famine was drought, but in each case the stricken regions were ecological disaster zones well before the drought set in.

The site and nature of the next ecological catastrophe is impossible to predict, and we can only speculate about the human costs. Likewise, we can at best surmise the impact of future ecological debacles on the survival of governments; certainly the overturning of several African regimes in the early seventies was at least partly linked to famine conditions and food-relief politics in areas of ecological distress. What we can say with confidence is that, when the next calamities do occur, governments and the media will label them acts of God, when in fact humans will have helped set the stage.

To the extent that population growth in the afflicted countries is slowed, ecological pressures will ease and their fearsome consequences will be at least postponed. Only a combination of improved land-use habits, with a drastic slowdown and eventual halt in the population growth of Africa, Asia, and Latin America can put off nature's day of reckoning altogether. The accumulating evidence of severe ecological deterioration underscores the urgency of attacking the population problem from all directions at once; making family-planning services universally available; liberating women from traditional roles; meeting basic social needs, such as rudimentary health care, adequate nutrition, and literacy, that are usually associated with reduced fertility; and reorienting social and economic policies to promote smaller families.

The development and dissemination of renewable, decentralized, and low-cost energy sources for the half of mankind now burning wood, crop residues, or dung for fuel figures centrally in the amelioration of global environmental stress. Current energy research and investment patterns, in poor as well as in rich countries, betray a heavy preoccupation with new fuels for industry and the machines of the rich, while the pressing energy crisis of the masses in the poor countries is given short shrift. Extensive technical and sociological research, as well as ample funding for implementation, is needed to disseminate small-scale fuel sources, such as solar cookers, bio-gas plants that convert dung into fuel and fertilizer, and, most of all, tree plantations.

Tree planting, like family planning, is needed nearly everywhere. Tree plantations, supporting sustainable fuel-wood industries, can provide badly needed jobs as they help curb the depletion of both remaining forests and scattered trees throughout the countryside of the poor nations. They can also help halt the increasingly frequent diversion of precious dung from fields to fireplaces. Tree planting on eroded hillsides, on abandoned farmlands, along roads, and between agricultural fields is insurance against the erosion of topsoils by wind and water, the accelerated choking of the reservoirs and canals with silt, and the rising incidence of severe floods.

However crucial, reforestation and soil-conservation programs cannot succeed without a concomitant transformation of agricultural methods on the lands best suited to agriculture. Many of the negative trends involve the spread of cultivation to marginal lands where no type of farming is sustainable; only the rapid expansion of food output and employment elsewhere, together with curbs on population growth, can curtail the futile exploitation of substandard lands and the razing of strategic forests.

Good land, too, is often damaged because its carrying capacity, its ability to support humans and animals on a sustainable basis, is overtaxed. Yet the concept of agricultural carrying capacity takes on meaning only in conjunction with a particular technology. Properly managed, many areas now threatened with decertification or accelerated erosion could produce far more grain or meat than they do. Some of the institutional and political prerequisites of the needed agricultural revolution include, in most countries, reforms in land tenure and the distribution of credit and advice, as well as steadfast governmental commitment to helping the broad masses of farmers to improve their methods. Farm technologies tailored to local ecological conditions are also, of course, essential; research on appropriate farming systems, where such systems are not already known, ranks as a high priority.

A new, broader approach to development planning is required of both international development assistance agencies and national governments. Based on economic analyses that isolate a few threads from the whole cloth of natural environment and human activity, foreign-aid projects and indigenous development programs alike too often fail to discern and eradicate the ecological roots of impoverishment.

"Environmental impact" assessments of proposed projects are a new stock-in-trade among many governments and aid agencies in the mid-seventies. Such investigations certainly represent a measurable step forward from the days, not long gone, when dams or factories could be built with hardly a thought to the harmful side effects that would cast shadows on the planned benefits. What is now needed, however, is another giant step beyond such assessments to the incorporation of an ecological perspective into the development-planning process from its inception. A planning exercise with the natural environment's capacity to serve human needs as its reference would, in many countries, generate a different mix of priorities and projects than those supported by present-day systems. The need is not just for an agency to predict detrimental environmental consequences of projects chosen on the basis of traditionally quantified financial variables, but is, rather, for one to identify the programs and strategies needed to enhance the environment's ability to support an improved life for people.

This is, after all, the ostensible goal of development.

Though nothing can substitute for a governmental commitment to ecological analysis and regeneration, and to agrarian reforms, some kinds of international assistance to the poorest countries are essential. The United States was able to recover the productivity of the Dust Bowl, and the Soviet Union that of the Virgin Lands, only because each country had the technical and financial resources needed to identify the sources of stress and then to act on their finding. Furthermore, both countries had enough momentum in their food economies—in the form of surplus output elsewhere or the ability to purchase grain abroad—to permit the necessary lag of farming efforts in the afflicted zones without serious shortages or prolonged hardship.

Many of the countries whose environments are most seriously threatened today, by contrast, are short of the multitude of technical skills—including, at a minimum, engineering, hydrology, forestry, agronomy, range management, and ecology—that must simultaneously be brought to bear on a disintegrating food system. And it is unrealistic to expect those eking out a precarious existence on degenerating lands to give their plots up to trees, to leave land fallow, or to sacrifice their herds, if the government is unable to provide alternative sources of food and income. Channeling a higher share of international food aid into "food for work" programs, in which food wages support the poor while they rebuild the environment that poverty forced them to destroy, would make constructive use of the food aid that will be necessary in any case in coming years.

The systematic identification and analysis of trends in ecological deterioration, as well as the marshaling of technical and financial resources to oppose them, are the formidable tasks confronting the recently established United Nations Environment Program. The problems of "land, water, and desertification" have been accorded top priority by UNEP, and, by means of its new Global Environmental Monitoring System, UNEP will promote information gathering in various regions on such natural-resource conditions as soil quality, deforestation rates, and oceanic pollution trends. Though far from comprehensive, the GEMS program is a meaningful start toward filling some glaring and dangerous gaps in humankind's accumulated knowledge about its milieu. The multitude of research efforts being sponsored by Unesco's Program of Man and the Biosphere will similarly increase our knowledge of global ecological trends.

Yet the predictable slowness with which precise figures on ecological deterioration in one country or another become available—if they ever do—is no excuse for continued procrastination by political and economic decision-makers. Waiting for the ponderous process of scientific data-collection to produce definitive results would, for some countries, amount to committing ecological suicide. In too many areas, the spreading denu-

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[4] Council for Agricultural Science and Technology, *Conservation of the Land, and the Use of Waste Materials for Man's Benefits*, prepared for the Committee on Agriculture and Forestry, United States Senate, March 25, 1975, p. 11; and John Waterbury, "Egypt's Staff of Life," *Common Ground*, Vol. 1, No. 3 (July 1975).

dation of hillsides and overgrazing of rangelands is apparent to even the untrained eye; no computer print-outs, only an appreciation of the price humans will pay for inaction, should be necessary to justify initiating emergency salvage operations.

Identifying the underlying causes of the various symptoms of ecosystem overstress will tax to the fullest the analytical skills of governments and development planners. Falling agricultural yields, disappointing returns from capital investments and chemical-fertilizer applications, and occasional dramatic disruptions of production over large areas will be the more obvious manifestations of unchecked deterioration. Tracing the resulting effects on nutritional status, economic prospects, political stability, and indeed, on the very social fabric of whole societies is rather more difficult. The causes of social maladies are often obfuscated by the pressing demands of the symptoms. The indirect international economic and political effects, ranging from inflation to possible military conflicts, will likewise be shrouded by the particular events that catalyze them.

The trends charted in this study do not point toward a sudden, cataclysmic global famine. What appears most likely, if current patterns prevail, is chronic depression conditions for the share of humankind, perhaps a fourth, that might be termed economically and politically marginal. Marginal people on marginal lands will slowly sink into the slough of hopeless poverty. Some will continue to wrest from the earth what fruits they can, others will turn up in the dead-end urban slums of Africa, Asia, and Latin America. Whether the deterioration of their prospects will be a quiet one is quite another question.

NATIONAL HEALTH INSURANCE

Mr. DOMENICI. Mr. President, during the next several months, Congress will probably turn its attention to national health insurance legislation. I do not know at this time which NHI proposal is the best approach, or even if this is the time to discuss any new major spending legislation, but I believe thoughtful dialog on the issues is always helpful.

I would like to bring to the attention of my colleagues an article in the Santa Fe El Independiente by Dick Heim, the former director of the New Mexico Department of Health and Social Services. Dick outlines the many difficulties of administrating the medicaid program—a Federal/State program which affects many millions of citizens throughout the country. His story illustrates the inherent problems and misunderstandings that arise when the Federal Government and the States coadminister an extensive benefit program, and I recommend that my colleagues read this article.

I have another reason that I wish to bring Dick Heim's article to the attention of everyone in this body. Dick has been in constant contact with the Finance Committee staff continuing his legislative interests since his years as the late Senator Anderson's administrative assistant. Drawing on his unique experience both as a draftsman of legislation and later as a State administrator of some of those programs, Dick has been extremely helpful in the drafting of S. 3205, a bill recently introduced by Senator TALMADGE to coordinate the medicare and medicaid programs into one cohesive administrative plan. I am a cosponsor of the bill.

Dick resigned his post as director of the Health and Social Services Department last January. I wish to commend him for his expertise and dedication during his years of public service. He ran his department competently and without regard to partisan considerations. Senator TALMADGE and his assistant on the Finance Committee, Jay Constantine, should be complimented for soliciting the views from many experts throughout the country. S. 3205 is a product of Dick's suggestions as well as others in the field, and I hope that at least the administrative streamlining provisions of that bill will be enacted this year.

I ask unanimous consent that the article by Dick Heim that I have referred to above be printed in the RECORD.

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

[From the Santa Fe (N. Mex.) El Independiente, Mar. 19, 1976]

ANY NATIONAL HEALTH SYSTEM WILL HAVE TO UNTANGLE THE BUREAUCRACY

National Health Insurance (NHI) proposals have been tied up for years in Congressional committees, and none has yet reached a floor vote in either house. Nevertheless, I believe that some form of NHI is inevitable—some form of government-financed health care for all Americans. What we don't know is when and in what form Congress will eventually enact it. As former HEW Secretary Wilbur Cohen said recently, "The NHI bill that will ultimately be enacted has not yet been introduced." (Max Bennett has recently reviewed the prospects this year for NHI, *Independent*, January 30, 1976.)

I share Sen. Pete Domenici's (R-NM) view expressed in his article in *The Independent*, Feb. 27, 1976, that some of our human services programs are so obviously national in scope that they might best be run entirely as federal programs. (We might differ over which programs.) NHI will clearly be "national in scope," but I believe that for NHI to be politically acceptable the state governments will have to have a significant role in running it.

If you will accept, at least for the moment, these assumptions that some form of NHI is inevitable, and that the state governments will be involved in the program, then it can be useful to look at a current federal/state health benefit program: Medicaid. This program has the dubious distinction of being one of the most difficult to manage of all our governmental grant-in-aid programs. My observations come from my personal experiences and frustrations in trying to make Medicaid work in New Mexico, and my hope is to point out some things we should avoid in any approach to NHI.

A SERIOUS PROBLEM

I first became aware that New Mexico had a serious Medicaid problem in the spring of 1969. At that time I was an Administrative Assistant to the late U.S. Senator Clinton P. Anderson. Two delegations from New Mexico called on the Senator that spring to seek his help in solving the state's Medicaid crisis. The first group, headed by Governor David Cargo, consisted of key officials of the executive branch of state government. The second group included the speaker of the New Mexico House of Representatives and the chairmen of the House and Senate Finance Committees.

The two groups had different views of the Medicaid problem, who was to blame, and what should be done about it. But they agreed on one basic point: the state government had moved into the Medicaid program in 1966, poorly prepared to administer the program and with cost estimates which were seriously in error. Of course, other states were making the same unpleasant discoveries about their own Medicaid programs.

Senator Anderson had a lively interest in Medicaid, and had even predicted the crisis in the states long before it materialized. He was also the principal sponsor of Medicare, the somewhat similar but entirely federally run program for those aged 65 and over. The practical question that spring was, what could he and his colleagues in the Congress do in short order to give the states some relief from their Medicaid problems, which were approaching nightmare proportions in terms of runaway costs.

The visits of the New Mexico delegations to the senator coincided with the opening of oversight hearings of the U.S. Senate Finance Committee on operations of the Medicaid and Medicare programs. The hearings were the obvious springboard for developing short-term relief for the states.

The most disturbing aspect of Medicaid to the New Mexico legislators was that the program constituted a blank check on the state's treasury. Their only choice was to appropriate funds to cover deficits after the fact, or to get out of the program entirely. The state government did exercise that latter option for one frantic week in 1969.

Under then-existing law and regulations, the best that Senator Anderson could accomplish in 1969 was an amendment permitting the states to reduce the scope of their Medicaid programs within certain limits. He tacked his amendment onto a minor tariff bill, and Congress passed it in a surprisingly short time.

This measure offered the states some limited financial relief, but did not address the basic problem: Was it possible to develop cost and quality control in a health-care financing scheme, without denying necessary services to those eligible? Senator Anderson consequently followed carefully the testimony before the Senate Finance Committee in 1969 and 1970 on this issue. He was an early supporter of Sen. Wallace Bennett's (R-Utah) concept of involving practicing physicians in the review of medical services in government-financed health care programs.

This concept, now known as Professional Standards Review, was introduced by Sen. Bennett in the fall of 1970 and was enacted as part of the Social Security Amendments of 1972.

Let's keep in mind in the remaining discussion here that in human services programs many months and even years can pass after the President signs an act of Congress into law, until the federal agency charged with administering the law promulgates the regulations that set specific policies for the new program or programs.

HSSD NEAR BANKRUPTCY

Late in 1970 I resigned from Sen. Anderson's staff to return to New Mexico, and accepted an appointment by the governor as director of the state's Health and Social Services Department (HSSD), the principal state umbrella agency for human services programs. HSSD was then virtually bankrupt.

Four weeks after assuming the position, it was my uncomfortable task to appear before a joint session of the House Appropriations and Senate Finance Committees to request the largest deficiency appropriation in the history of the state legislature. Most of the deficit was caused by the state's Medicaid program.

Those not familiar with state government may not appreciate just how unpleasant a deficiency appropriation request must be for all concerned. The legislature appropriates funds in advance to operate the state agencies and their programs. Legislators feel responsible, and are responsible to the voters for successful operation of these pro-

grams. Yet, by its very nature, the legislature cannot manage programs.

That responsibility rests with the agencies. When an agency head requests an appropriation to operate his agency the following fiscal year, he enters into an implied contract with the legislature that he will keep agency expenditures within the appropriated amount. The state cannot borrow money—incur debt—to meet future operating costs of programs. The funds have to come out of current revenues.

A deficiency appropriation request is a flat assertion to the legislature that the agency has exceeded these understood limits. The request is a red flag indicating serious problems within the agency. A mitigating circumstance can be federal intervention through regulations which cause overspending.

The legislature granted this request, but not before wresting from me a commitment that I would not return to future legislative sessions for further deficiency appropriations. I honored that commitment for more than four years thereafter, as long as I was head of HSSD.

It is my strong feeling that the measures we took to control the state's Medicaid problems during those years offer important guidelines for any combined federal/state approach to NHI in the future.

THREE MAJOR STEPS

Our basic decision, made in those first weeks, was that the state had to manage, rather than be managed by, the big-money programs we were administering. To control Medicaid costs we took three major steps:

1. Taking advantage of Sen. Anderson's 1969 amendment, we cut back the scope and duration of Medicaid benefits, to keep Medicaid expenditures within the state's budget. Since Medicaid is a critically necessary program for the poor of our state, we made the cuts only as a temporary expedient until our other two steps could become effective in moderating costs. (The restrictions were in effect for only 14 months. Except for a few minor services, they were lifted completely by July 1, 1972.)

2. We adopted the principle that the physicians of the state who provided or ordered Medicaid services were the group best qualified to control the utilization of those services. HSSD therefore contracted with the New Mexico Foundation for Medical Care, a nonprofit organization of physicians, to review all Medicaid claims to determine if the services were medically necessary and appropriate.

By that step New Mexico established the first operational statewide Professional Standards Review Organization (PSRO) in the nation, even before Sen. Bennett's amendment providing for PSRO's nationwide was enacted into law. (Independent, December 12, 1975).

3. Professional review by physicians requires accurate, timely information on all claims, including summaries of the patients' medical records and of the patterns of care being offered by the providing physicians. In addition, a major part of Medicaid administration involves prompt and accurate payment of approved claims. To meet both these needs, HSSD contracted with The Dikewood Corporation, a New Mexico research organization with wide experience in computerized systems design, to develop and operate a sophisticated on-line computerized Medicaid information system that would simultaneously perform two functions:

a. Allow Dikewood, as the state's fiscal agent, to receive, process, and pay Medicaid claims, and provide management information to HSSD; and

b. Provide all claims information, including patient and provider profiles, instantaneously on computer read-out scopes, to reviewing physicians of the PSRO.

SYSTEM GAINS CLAIMED

The PSRO/Dikewood/State system has been in operation since September 1971. We can claim on behalf of this system the following gains:

1. Since 1971 New Mexico's Medicaid program has operated within its budget. Medicaid expenditures nationwide have more than doubled in the past four years, while our Medicaid costs in New Mexico have increased less than 50%.

2. Average length of stay in hospitals for New Mexico Medicaid patients has been reduced 24%.

3. Some doctors were giving, and charging the state for, unnecessary injections during office visits. Through professional review the rate of office injections for Medicaid patients has been reduced from 42 per 100 visits, to 14 per 100 visits today.

4. Prescription drug costs to the state's Medicaid program were reduced 12% in the first year of the new system, and another 5% the second year. Today the New Mexico Medicaid program spends less on drugs than five years ago, even though drug prices are higher and more people are eligible for Medicaid.

These examples show why we feel New Mexico's Medicaid system, though imperfect, is working. We are providing access to quality medical care to eligible citizens of our state, without bankrupting the program. But remember, we were in advance of federal legislation in some of these efforts. Let me now outline what being out in front can cost a state agency in harassment and obstruction in dealing with entrenched federal agencies.

Sen. Bennett's amendment to the 1972 federal social security act required the Secretary of Health, Education, and Welfare to contract with local physician groups throughout the country to establish PSROs to monitor the necessity and appropriateness of care provided under Medicaid, Medicare, and the Maternal and Child Health programs. Another section of the same law (Sec. 235) provided financial incentives to the states to develop computerized claims processing systems for Medicaid. This section increased the federal match from 50% to 90% of the costs to the states to design, develop, and install such systems. It also increased the federal match from 50% to 75% for the operating costs of such systems thereafter.

New Mexico did benefit by being in early—first, in fact—with an operating computerized Medicaid management system. After long and frustrating negotiations with HEW, our system has been approved and has received the 90% federal funding for developing and installing the system, retroactive to 1971. We were also the first state in the country approved by HEW for the 75% federal funding for the system's operation, retroactive to July 1973.

BACKGROUND HELPED

As an aside here, I have to note that my service with Senator Anderson, and the senator's specific interest in the Medicaid and Medicare programs, did give me considerable understanding of the thinking in Congress on needed controls for Medicaid, and on the possible technology and systems approach for such controls. My Washington background also made it easy for me, when back in New Mexico directing HSSD, to verify through direct informal contacts, the intent of Congress in enacting the Bennett amendment, and other pertinent legislation.

Therefore I state with confidence that Congress intended the financial incentives of Sec. 235 described above to stimulate the states to use their initiative in managing their Medicaid programs through computerized claims processing systems. Congress did not intend that HEW would develop one basic system and require every state to adopt it as a condition for receiving the increased federal funding support for developing and operating such systems. But HEW did just that, and New Mexico came perilously close to suffering penalties rather than rewards for daring to be first in the field. Here is the basic chronology:

1. The Social Security amendments providing the financial incentives to the states in Sec. 235 were introduced in 1971, with an effective date of July 1, 1971.

2. The entire bill was passed, after extensive amendments, and signed into law, in October 1972. It retained the effective date of July 1, 1971 for Sec. 235 even though the bill passed almost a year and a half later. That was no oversight. Congress intended to reward states, such as New Mexico, which were making their own efforts to establish rational cost and quality controls over their very complicated federal/state Medicaid programs.

3. Congress enacts laws; federal agencies write the regulations that determine how the laws will be applied. HEW issued proposed regulations covering Sec. 235 in June 1973. The proposed regulations virtually excluded New Mexico from qualifying for the increased matching funds for developing its computerized Medicaid claims processing system. The proposed regulations also effectively prevented any state from securing retroactive matching benefits.

4. Our reaction in New Mexico was to seek an amendment to federal law to insure that HEW could not thwart Congressional intent in this manner. Naturally, we were talking with HEW about these problems, and HEW assured us we would receive our increased matching funds when we demonstrated that our system was "conceptually equivalent" to the HEW-developed Medicaid Management Information System. That HEW system, which was not mandated by Congress, incidentally, is not completely operational in any state yet today.

5. In November 1973 a team of HEW systems experts found that New Mexico's system was, indeed, "conceptually equivalent" to the HEW system. HEW made a commitment to the state that the 90% federal match for developing the New Mexico system would be paid, retroactive to July 1, 1971, and that the 75% match for operating the system thereafter would be made retroactive to July 1973.

6. Taking HEW at their word, HSSD reduced its budget request to the state legislature by the amount of increased federal funds we expected to receive.

7. HEW issued final regulations for Sec. 235 in May 1974, and HSSD billed HEW for the retroactive funds they had guaranteed us the previous November.

8. Five months later HEW authorized the 90% retroactive federal match for the design, development, and installation of our system. At the same time HEW reneged entirely on their commitment for the 75% retroactive match for operating costs. Their stated grounds were that New Mexico had not met all of the HEW system's specifications, some of which were newly required since the November 1973 evaluation and approval of the New Mexico system by HEW's own experts.

9. Obviously, at this point we felt we had been had and we insisted that HEW's commitment, which we had accepted in good faith the year before, was legally binding on HEW.

10. Apparently HEW attorneys agreed with us, because after many meetings, extensive correspondence, repeated demonstrations of the system and mutual concessions, HEW officials certified the New Mexico system in May 1975, and paid us the retroactive funds, totalling $750,000 in August 1975.

That's a hard way, I submit, to secure $750,000 to which the state was clearly entitled.

We are proud that we were the first state to be so certified, but appalled by the extraordinary effort, time and money it took to achieve this distinction. The fact that we

were certified three years after the law was passed and four years after the effective date, tells us something about the way federal agencies carry out national policy.

This episode, or rather series of episodes, is important not so much in itself but as a symptom of the basic problems in federal/state relations that are making not just public servants but citizens at large increasingly cynical about our federal bureaucracy. God may help those who help themselves, but when Congress has commanded it.

This experience has left scars in HEW and in our state government.

I feel there is a real villain in the case; not the people in HEW, but the system (or non-system) by which federal grant-in-aid programs are being carried out. We need only note the huge, costly administrative superstructures that have developed on federal and state levels to carry out these programs, and the inability of many of the programs to meet the needs for which they were established.

In part because of complex congressional mandates, more often because of cumbersome administrative systems, many essential programs have become uneconomical, unmanageable, actually unworkable.

The federal agencies involved in these federal/state programs have shown that they alone cannot correct the problems in these relationships. But the other side of the coin is that the states in the past have acted mostly as silent and passive partners, and that their performance has been uneven at best. I fear the abuses and inequities will continue until the states themselves force changes in their relationships with the federal government, while improving their own management capabilities.

What has this to do with National Health? Recall my initial assumptions: Some form of NHI is inevitable, although we do not know what that form will be, nor when it will be enacted. Further, state governments will be involved in NHI.

I will not attempt to predict how the states might be involved. Their role could range from simply extending traditional state-supervised health services, to providing and operating systems to moderate health care costs and to assure some acceptable level of quality of health care, which would require them to share costs and administrative responsibilities for NHI. I think the role of the states in NHI is much more likely to be significant than trivial.

If that is so, the following suggestions could help the states avoid some of the unpleasant experiences they have had with programs such as Medicaid:

1. The state governments should insist that their role be clearly set forth in any federal NHI legislation, rather than being left to those in federal agencies who will draft the applicable regulations.

2. Congress should require by law that the federal agency which administers NHI must involve representatives of the state governments in drafting regulations which will affect the states. Congress should assure by law that these state representatives will have not a perfunctory role, but an effective voice in the regulation-drafting process. Congress should set firm and relatively brief time limits for drafting and promulgating final regulations.

3. The states must demand and secure, through federal law, sufficient lead time to allow their legislatures to act on each state's role in NHI, and to allow the state agencies responsible for NHI to develop effective administrative machinery.

HUMANITARIAN PROBLEMS IN LEBANON

Mr. KENNEDY. Mr. President, yesterday the Subcommittee on Refugees, which I serve as chairman, opened its inquiry into the massive human and political tragedy of Lebanon—and the response of the United States and others in the international community.

The subcommittee was privileged to receive testimony from Under Secretary of State Joseph J. Sisco, who was accompanied by Mr. James Wilson, Coordinator for Humanitarian Affairs in the Department of State, and others from the executive branch.

The civil war in Lebanon is now a year old. But the sporadic violence which marked the early stages of the conflict, has spread and escalated into sustained battle, which is now interrupted by sporadic ceasefires to restore the peace.

But the peace has never been sustained. One day's ceasefire leads to another day's conflict. And today's total war not only threatens the very survival of Lebanon, but also the peaceful development and stability of the entire Middle East.

And so, Mr. President, since last fall—but especially since early this year—developments in Lebanon have been a source of growing concern for Americans and people around the world.

And the Subcommittee on Refugees has shared this concern. Over recent weeks and months the subcommittee has closely followed developments in Lebanon—and we have consulted regularly with the Department of State and others here in Washington, and with the International Committee of the Red Cross and the United Nations in this country and overseas. Members of the subcommittee have also introduced legislation for relief purposes in Lebanon, and have made repeated efforts to encourage a stronger American response to the undeniable humanitarian needs of the Lebanese people.

The personal anguish and human misery of the civil war almost defies description and belief. The frontlines are everywhere—and no one is safe from the sniper's bullet. Well over 10,000 people have been killed. Tens of thousands more have been wounded. Many people are missing, and families are torn apart. Many homes are destroyed, and refugees number in the hundreds of thousands—both within the country and beyond its borders. Beirut is devastated and Government services are in shambles. Communications are disrupted. Water and electricity are in short supply. And so is shelter for the refugees—and blankets, clothing, and food and medicine for the many in need.

The agenda for action is clear. First, in concert with others, the United States, through the President's Special Envoy in Beirut, must continue to do all that is necessary in helping the parties involved in the conflict to secure a durable ceasefire and a peaceful resolution of the internal issues which so bitterly divide Lebanon. And Congress must fully support this effort and goal.

Second, the urgent humanitarian needs of the Lebanese people, and the appeals for help and support from international organizations in the field, deserve better of our Government. To date, we have contributed some $1,100,000 in medical supplies to the American University Hospital in Beirut. And last Friday, April 2, we finally committed some $500,000 to a long-standing and repeated appeal for help from the International Red Cross.

It distresses me that we could treat so lightly, for so many months, the urgent appeals of the International Red Cross. I commend the Administration for its action on Friday, and would hope that additional contributions would soon be provided to help sustain the Red Cross work in the field.

In this connection also, I strongly recommend that the President respond favorably and generously to the U.N. Secretary General's February appeal of $50,000,000 for emergency relief purposes in Lebanon. Conditions in the field have made it difficult for the U.N. program to get fully underway. But this should not excuse our own Government, and others, from pledging their concrete support for the Secretary General's appeal and the important humanitarian work the United Nations High Commissioner for Refugees and other U.N. agencies will be providing to Lebanon. Such international humanitarian efforts can contribute much to establishing a climate for peace.

Third, some greater effort is needed to guarantee the freer movement of relief convoys and humanitarian personnel from the International Committee of the Red Cross and other organizations. Mercy corridors into areas of need, agreed to by all parties concerned, are essential to the safety and welfare of distressed people in many areas of Lebanon.

Fourth, the Department of State and the Immigration and Naturalization Service should expeditiously review the situation of Lebanese nationals wishing to come to the United States—and facilitate the processing of their visa applications, wherever made, under the appropriate provisions of the Immigration and Nationality Laws. This is a matter of special concern to many Americans with family ties in Lebanon, and their appeals for help in behalf of their family members deserve our attention and immediate action.

And finally, Mr. President, I am hopeful that the special program for resettling more than 2,000 Assyrian and Armenian refugees, who, until recently, were in Beirut under the mandate of the United Nations High Commissioner for Refugees, is well underway. A good share of these Middle East refugees will be coming to the United States to join family members and friends. For several weeks their care and protection was a matter of important concern to the subcommittee, as they waited endless days to reach safety.

Peace and relief are urgently needed today in Lebanon—to save lives and a country, and to promote the stability and peaceful development of the entire region.

FOREIGN COMPETITION IN RESEARCH AND DEVELOPMENT

Mr. INOUYE. Mr. President, recently there has been growing interest in and public concern about the condition of

scientific and technical research and development in the United States. The popular press has begun to publish stories about research and development in this country, and it is becoming apparent that this issue will soon become the focus of a major national policy debate.

Evidence is now accumulating that scientific and technical research and development in this country is on a steady decline. The slowing of our own R. & D. efforts and the rapid growth of overseas R. & D. are in large part responsible for the increased competition that we now face from abroad and the decline of the U.S. economy relative to many other industrialized nations.

Several weeks ago the National Science Board of the National Science Foundation released a report entitled "Science Indicators 1974" in which the precarious position of American science was graphically detailed. This report was subsequently reviewed by the New York Times 2 weeks ago.

The report concluded that although the United States continues to set the pace in international science, our leadership is being challenged by other nations. The proportion of the gross national product—GNP—devoted to R. & D. has declined steadily over the past decade in the United States while growing in the U.S.S.R., West Germany, and Japan. The National Science Board estimated that in 1974 the United States spent 2.4 percent of its GNP for this purpose compared to 3.1 percent for the U.S.S.R., 2.4 percent for West Germany, and 1.9 percent for Japan. Although our total budget was significantly larger, much of it was allotted to areas which did not yield economic and commercial benefits.

The other indicia are equally ominous. The number of scientists and engineers engaged in R. & D. per 10,000 population declined in the United States after 1969 but grew for Japan, West Germany, U.S.S.R., and France. The United States continues to expend most of its R. & D. funds on national defense and space, while the other industrialized nations spend a considerably larger percentage in other areas such as basic research.

The number of patents granted by the United States to foreign nationals has been growing substantially while the number of patents granted to U.S. nationals by foreign governments has been declining, thus leading to a reduction in our patent balance. The proportion of major technological innovations of American origin has experienced a serious decline since its peak in the 1950's.

Other statistics raise serious questions about domestic R. & D. policy. The United States has an increasingly positive balance of payments from the sale of technical know-how, with receipts from the sale of patents, licenses, and manufacturing rights exceeding payments. The figures presented in the report also probably understate the export of this technical know-how since it did not count transfers between affiliates or the exchange personnel or through informal agreements.

While such sales of technical know-how improve our balance of payments, organized labor and many academic researchers have charged that technology transfer can result in the loss of jobs to the American economy. This charge, while as yet unsubstantiated, deserves careful attention in view of the large outflow of technology to some of our major industrial competitors through multinational corporations and of our serious domestic unemployment.

The need to enhance R. & D. expenditures has been recognized in other quarters. In the March 8, 1976, issue of Business Week a reporter wrote a story entitled "The Silent Crisis in R. & D." which noted that economists and scientists were becoming alarmed by the long-term slump in R. & D.

I am pleased to see that the President shares this concern about the stagnation in R. & D. and has requested an 11 percent increase in his authorization request for R. & D. While I would like to review this request in detail, it could be an important step in the right direction by reversing the steady erosion of R. & D. funds.

I ask unanimous consent that the articles from the New York Times and Business Week be printed in the RECORD.

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

[From Business Week, Mar. 8, 1976]

THE SILENT CRISIS IN R. & D.

Even if the apparent economic recovery takes a firm hold, some concerned economists are warning that the U.S. may face a serious slowdown in its long-term growth rate because of the protracted slump in spending for research and development.

Merton Peck of Yale calls it "the silent crisis"—not obvious like other national crises but nonetheless real. Harvard economist Zvi Griliches, one not given to hyperbole, says: "The slack growth of the past seven years in research and development spending will come home to roost."

Economists in this group maintain that the slowdown in long-term growth has already been set in motion by the slump in R&D spending since the late 1960s (chart). They have no pat solutions to the problem, and their new findings raise almost as many questions as they answer. But their message is clear: unless the nation steps up its investment in developing and marketing improved processes and products, the U.S. economy is doomed to grow more slowly in the 1970s and 1980s than it did in the 1960s. The potential loss in gross national product in the next 10 years alone could reach $100 billion, not counting the loss of improvement in the quality of life that cannot be measured in GNP dollars.

Moreover, productivity gains, which reduce unit costs, are a prime factor in combating long-term inflation. Thus, by scrimping on R&D, the nation is fighting the inflation battle with its right arm in a sling.

LOSING GROUND FAST

The slowdown in research spending has been dramatic. From 1953 to 1961, R&D expenditures, adjusted for inflation, increased at an average rate of 13.9% a year for government and 7.7% for nongovernment, according to the National Science Foundation. From 1961 to 1967, government-funded R&D increased 5.6% a year and private R&D 7.4%. But from 1967 to 1975, government R&D shrank 3% a year, and nongovernment spending rose a mere 1.8% a year.

Recent studies confirm not only that R&D is a significant factor in the nation's growth but also that companies themselves are missing a good bet by not putting more of their dollars into R&D. The major findings:

Organized R&D projects of the kind that are covered in company budgets account for about 40% of the total increase in U.S. productivity. This means that a dollar spent on R&D has a far greater impact on economic growth than a dollar invested in physical capital.

Industry earns an average 30% rate of return per year on its R&D spending—about twice the return that companies get from their capital investments.

On the average, the largest companies do not spend proportionately more or less than smaller companies, and their rate of return per dollar of R&D expenditure is also similar. Therefore, tinkering with the market structure of U.S. industry to spur R&D spending offers no hope of a payoff.

Three sources feed the stream of national economic growth: capital investments, increases in both the quantity and quality of the labor force, and improvements in technology. Although economists have long labored over the perplexities in measuring the contribution of each of these three factors, they now agree that technological gains have been as important to the economic growth of the U.S. as increases in capital and labor. Fully one-third of the measured growth in GNP has come from technological progress, they say.

THE PAYOFF

Technological progress stems from a variety of sources, including such informal ones as the amateur inventor puttering in his garage on weekends or the manager who gets a idea on how to organize the production line better. The major question is how much of this progress has resulted directly from organized R&D. Griliches' econometric findings put this contribution at 20% to 25%. And a recent study by Nestor E. Terleckyj of the National Planning Assn. conservatively estimates that in 1948-66 organized R&D was responsible for at least 33% of the improvement in technology. Considering that industry invests about 10 times as much in plant as in R&D, $1 of R&D has almost four times the impact on growth that $1 invested in plant and equipment has.

Spending on R&D has not only paid off in a big way for the country as a whole but has also produced high rates of return for the industries that do the spending. A paper by Griliches shows that in 1957-64 R&D produced an average annual 27% rate of return, based on the depreciated life of the expenditure. This, he says, is about twice the return of physical capital investments by the 883 companies in his sample.

Using a different set of data, Terleckyj finds a direct productivity return of about 30% a year on R&D in manufacturing industries in 1948-66. Moreover, he finds, some industries that do little of their own R&D but buy from R&D-intensive industries achieved productivity gains of 80% per year. For example, airlines benefit from the R&D done by the airframe industry.

The findings of Griliches and Terleckyj apply only till the mid-1960s, the latest years for which detailed data are available. But a study by Edwin Mansfield of the Wharton School seems to indicate that high rates of return persisted into the 1970s. Mansfield used a sample of 17 run-of-the-mill innovations, ranging from a metal process introduced in the late 1950s to a door control mechanism marketed in the early 1970s. He shows an average annual rate of return of 25% to the innovating company, after adjustment for unsuccessful R&D efforts, and a return of well over 50% to other users as a whole.

Why the slump? Given the high rates of return on R&D, economists are hardpressed

to explain why industry spending has lost its historically robust growth. Industry R&D amounted to 1.5% of total sales in 1957, peaked at 2.3% in 1969, and has now fallen below 2%.

Some businessmen contend that increased government regulation of industry has put a crimp in private R&D. But Terleckyj argues that it should only open vistas for new and better products and would not have an overall negative impact. Some critics suggest that the oligopolistic market structure of U.S. industry is the cause. But economists who have analyzed the relationship between company size and technological progress deny this claim.

There are two conflicting views of the impact of big companies on innovation. One theory, first formulated by the late Joseph Schumpeter and eloquently elaborated upon by John Kenneth Galbraith, holds that R&D is carried out much more productively by very large companies. To foster innovation, this theory would call for relaxation of the antitrust laws. In total contrast, some economists and most consumer advocates maintain that large companies stifle innovation, so antitrust laws should be enforced more vigorously.

The overwhelming evidence is that neither theory fits the facts. "For practically all industries," Wharton's Mansfield says, "the data indicate that very big firms do not carry out more innovation relative to their size than do smaller firms." Instead, economists find a threshold effect. Explains Mansfield: "In order to do much research and development, a firm must be of a certain minimum size—which, of course, will vary by industry. Beyond that, innovation seems to be proportional to size." He does note exceptions, though. For example, Du Pont spends more on R&D, relative to its size, than smaller chemical companies do.

The very largest companies may get slightly less productivity out of an R&D dollar than somewhat smaller companies get, Mansfield adds, but this disadvantage is offset by their ability to do a superior marketing job. He says "Small and large firms should be looked at as complements to each other. You need the small firm's flexibility to move quickly, especially in the initial stages of innovation, and you need the very large firms with their huge capital resources, large numbers of researchers, and marketing knowhow."

HOW TO CASH IN

"R&D isn't worth anything alone," Mansfield maintains. "It has got to be coupled with the market. The innovative firms are not necessarily the ones that produce the best technical output but the ones that know what is marketable."

Economists who agree cite as an extreme case the Soviet Union's problems in improving productivity through R&D. "They keep spending tons of money on R&D, but they don't get much out of it," says a government economist who specializes in Soviet affairs. "The Soviets are right at the frontiers of research in the lab. It's getting from the lab to metal-bending and into production that is the trick."

Charlotte Schroeder of the University of Virginia, an expert on the planned economies, notes that the Russians are turning out engineers and scientists by the drove. But because of the emphasis on today's production, managers have little incentive to shut down for retooling and, thus, are not receptive to new ideas. "The researchers and the production people are on different wavelengths," she says.

Resistance to innovation is not confined to planned economies, Mansfield finds. In a survey of the R&D executives of 20 major chemical, drug, and electronics companies in the U.S., he found an opinion that the success rate of innovation would have been boosted by 50% if the R&D results had been fully and properly exploited by their companies' manufacturing and marketing people. To confirm this evaluation, Mansfield put the same set of questions to non-R&D executives. Their estimate turned out to be even higher than that of the R&D managers.

INCENTIVES

While economists agree that companies should invest more heavily in R&D and should improve their output from it, by no means all of them advocate that government should provide special tax incentives. "Since R&D really is investment, there's already a tax benefit because companies can write it all off," says William Fellner, of the American Enterprise Institute. And Yale's Merton Peck says: "I'm against government incentives. The best thing to get private R&D moving is get this economy off its bottom.

But Mansfield disagrees. "We need a general incentive," he suggests. "Let's explore tax incentives carefully." Edward F. Denison of the Brookings Institution, a pioneer in the study of economic growth, says: "I have always been against tax incentives for R&D. But after seeing Mansfield's work on the rate of return, I'm reconsidering my position."

Although Fellner is against tax incentives, he favors more federal funds for R&D, especially where the risks for private industry are enormous, as in energy development. In the 1977 budget, federal funds for R&D increase only 10% in inflation-bloated dollars, and Fellner notes that real R&D will rise less than real GNP. "I would not try to save on the R&D budget," he says.

Griliches believes that more federal dollars should be going into the universities, where he says the nation has a high-class scientific establishment that is "now underutilized and malnourished." The low rate of utilization, he concedes, is partly the universities' own fault. "They expanded, thinking that government funds would be flowing forever," he says. Still, he says, university labs represent an underutilized resource that should be put to work.

Like Fellner, Mansfield argues for more federal R&D funds, but he also does not advocate opening all the money taps. "I'm not throwing a wad of money into machine tool research, for instance," he says. "What we do need is a concerted research effort to determine just where government R&D funds should be going."

[From the New York Times]

U.S. SCIENCE LEAD IS FOUND ERODING—STUDY NOTES TECHNOLOGICAL ADVANTAGE HAS BEEN CUT BY OTHER COUNTRIES

(By Victor McElheny)

The international predominance of the United States in science and technology has suffered erosion in the last 15 years, according to a study released by the National Science Foundation and transmitted to Congress by President Ford.

Such nations as the Soviet Union, West Germany, France and Japan have been improving their inventiveness, support for science and worker productivity faster than the United States, the study said.

Called Science Indicators 1974, the study was issued as the seventh annual report of the National Science Board, governing body of the foundation. The board is headed by Dr. Norman Hackerman, president of Rice University.

More detailed than the first report of its kind three years ago, the study was the most specific compilation to date of facts about the changing relative support for innovation in the United States and other developed nations.

The study noted these major trends:

Such a rapid increase in foreign inventors receiving United States patents that foreign patents now account for more than 30 percent of those issued by the United States Patent Office.

Foreign improvements in the output of workers, expressed in noninflated dollars per civilian employee, that raised productivity in France to 56 percent of the United States figure in 1969 to 80 percent in 1974, from 52 to 75 percent in West Germany and from 25 to 55 percent in Japan.

Declines in the United States of spending on research and development as a proportion of the gross national product, and in the proportion of scientists and engineers in the population, contrasting with sharp increases in the Soviet Union, West Germany and Japan.

President Ford's message to Congress transmitting the study did not mention the international comparisons that formed its first chapter. The President said, "On balance, the data in this report and other evidence indicate that the nation's research and development enterprise continues to be productive and competitive."

Mr. Ford said that inflation and recession had affected science and technology "adversely"—as they had other activities.

For the last 10 years, the reports said, declines in Federal spending on space and defense research had more than offset large increases in support for health and environmental studies. Chiefly because of this, the proportion of United States gross national product spent on research and development declined from a peak of 3 percent in 1963 to 2.3 percent in 1974.

In 1973 and 1974, the study said, West Germany edged past the United States in the proportion of gross product devoted to science and engineering.

Expressed in 1967 dollars, the nation's total spending on research and development rose from $15.4 billion in 1960 to a peak of $23.7 billion in 1968, and then receded slowly to $22.1 billion in 1974. The number of scientists and engineers engaged in research and development fell back from 558,000 in 1969 to 528,000 in 1974, the report said.

To provide material for the National Science Board study, a special review of 492 "major technological innovations" in the last 20 years was conducted by Gellman Research Associates. The review covered applications of inventions such as lasers, oral contraceptives, weather satellites, nuclear reactors and integrated circuits.

Of the total, 319 were made in the United States, but the proportion of the total sank from 75 percent in 1953–55 to 58 percent in 1971–73, the Gellman review said. The Gellman results have been published in a report entitled, "Indicators of International Trends in Technological Innovation."

The sharp increase in United States patents issued to foreigners, the National Science Board study said, "suggests that the number of patentable ideas of international merit is growing at a greater rate in other countries than in the United States."

While the total of United States patents granted grew from 47,170 in 1960 to 74,139, the total granted to foreigners tripled. The number rose from 7,698 to 22,638.

Ever since 1969, the report noted, the number of United States patents granted to West Germans has exceeded the number of West German patents going to American inventors. West Germans receive roughly 8 percent of all United States patents.

The report cited several examples of continued American strength in technology.

Since 1960, the report said:

United States receipts from abroad of fees for use of American inventions and "know-how" have tripled, while payments the other way has increased 4.5 times. In 1974, United States receipts totaled $780 million and payments $180 million, leaving a favorable technological trade balance of $600 million.

Since 1960, the favorable United States trade balance in such high-technology industries as airplanes, electronics and chemicals has quadrupled, the report said, while trade deficits increased almost as sharply in commercial fields where little is spent on research and development.

Typically, the report said, United States industry as a whole spends about as much of its own money on research and development as it spends on advertising, and about half as much as it spends on new plant and equipment.

Because of declining Government support for defense and space projects, the report noted, the proportion of industrial research spending provided by industry itself rose from 42 per cent in 1960 to 60 per cent in 1973, according to a National Science Foundation study cited in the board's report.

ENERGY CONSERVATION

Mr. HUMPHREY. Mr. President, I had the honor on March 30 to address the Joint Engineering Legislative Forum in Washington, D.C.

The forum brings together a large number of individual professional engineering societies and associations. They meet here in Washington and share with Members of Congress their counsel and advice on a variety of topics—topics across the spectrum from solar energy to pollution abatement.

The forum this year had as its theme, "A National Energy Conservation Policy, Myth or Mandate?"

I would like to share my remarks on that topic with my colleagues.

I noted that the Congress is very serious about energy conservation, congressional enactment of the Energy Policy and Conservation Act, was a major step in addressing this national priority.

If we are to effectively achieve energy independence, we must have an effective national energy conservation effort. And the development of that conservation effort is the greatest challenge to be faced by our engineering society since the space program.

Mr. President, I ask unanimous consent that my address to the Joint Engineering Legislative Forum be printed in the RECORD.

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

REMARKS OF SENATOR HUBERT H. HUMPHREY, JOINT ENGINEERING LEGISLATIVE FORUM, WASHINGTON, D.C., MARCH 30, 1976

Your legislative forum this year focuses on the question: "A National Energy Conservation Policy: Myth or Mandate?"

There is, indeed, a myth that Congress—and Washington generally—is not serious about energy conservation. There is a myth that we have no National Conservation Policy.

The myth says that as memory of the embargo fades, so will energy conservation efforts.

The myth also says that the *big loser* in the Energy Compromise reached in December between Congress and the Administration was energy conservation. The myth is that because we did not have immediate energy price decontrol, we'll have little or no conservation.

The reality about energy conservation is precisely the opposite. Congress is deadly serious about energy conservation.

It has in fact *already* put into effect a comprehensive national energy conservation policy. And that policy is contained in the same legislation, The Energy Policy and Conservation Act, which allows oil price decontrol to occur over 40 months. In fact, according to Administration projections, the conservation measures in that Act will trim oil imports 40 percent by 1980.

What are these measures?

First and most important, it imposed mandatory auto fuel economy standards for 1978 and beyond. By 1985, this standard alone will be saving us an estimated 1 of every 6 barrels of oil we now import!

Next, it mandated a minimum 20 percent improvement by 1980 in appliance energy efficiency.

It mandated appliance and auto energy-use labeling to encourage consumers to select energy efficient products.

It set aside $50 million annually to help State Governors develop conservation programs to cut energy consumption 5 percent by 1980.

And, it required the regulated transportation and communications industries to cut energy use 10 percent by next Christmas.

In fact, almost one-half of the entire 100 page Act was devoted to energy conservation.

Finally, just two weeks ago, Congress added mandatory building insulation standards to the list of energy conservation steps taken.

The result, when we add these programs up, is a very impressive National energy conservation program. A program which meets just about every target set out by the Administration and Congress over two years ago.

However, there is more that needs to be done to carry through our commitment to a comprehensive energy conservation program.

For example, industrial and commercial conservation programs can be expanded and improved.

Utilities can be encouraged to practice "peak-load" pricing and other techniques to trim electricity usage.

But, while these added steps will increase energy savings, Congress and the Administration must look elsewhere for other ways to substantially reduce oil imports.

One major effort must be the substitution of coal for oil. We must make more use of our huge coal reserves, if clean air requirements can be met.

As engineers, in fact, you can make a significant contribution to energy independence by developing reliable pollution abatement devices, like coal scrubbers. My "Coal Substitution Incentive Act of 1976," S. 3609, provides up to $5 billion through 1985 in loan guarantees for pollution abatement devices to encourage conversion to coal. This legislation could save an estimated 2 million barrels of oil-equivalent daily in 1985.

Another fruitful area of savings is to recycle urban wastes into boiler fuel. My Solid Waste Recovery Act, S. 2439, would provide $100 million over each of the next 4 years to municipalities to set up recycling plants. This effort could save an estimated one-half million barrels of oil daily.

We should also pursue the solar energy alternative more aggressively. Solar energy is expensive now and not widely accepted by consumers. The Government must focus an expanded solar program on more demonstration projects to sell the solar energy concept and bring costs down. That is exactly what the "Solar Energy Act of 1976," which I have offered with Senator Fannin and 20 other Senators, is designed to do.

Let me now take a step back and put energy conservation in perspective for a moment.

Why do we want to conserve energy?

Why has Congress mandated a comprehensive energy conservation policy as the law of the land?

The first reason is straight-forward: OPEC has pushed prices so high that it makes sense economically to conserve, to reduce to a minimum this costly ingredient in production, this necessary expenditure in every family budget.

With conservation, our real incomes in future years will be higher. We'll have more to spend here on goods and services because we'll be paying less to energy producers.

That means employment will be higher here.

It means less inflation.

And it means more exports as you and other engineers build and sell energy saving auto engines, furnaces and consumer goods.

So energy conservation is an asset, not a drain on our economy.

But, it's something more important than exports or inflation. It also can free us from the threat of another embargo.

By reducing our oil imports, we eliminate the Achilles heel of American political independence.

It frees us to pursue at home and abroad our own interests, without fear of energy blackmail.

So, it makes sense economically and politically. But it's not out there just waiting to be plucked . . . it is going to take a great effort.

Technically, an energy-efficient society is years away. We've just started to scratch the surface in developing energy conservation technology.

To develop that technology is the greatest challenge to your profession—to the American engineer—since the space program.

I know you can meet that challenge. The same society that can warm and cool 3 men in the bitter vacuum of deep space can surely warm and cool us more efficiently right here on the ground. In fact, I believe it is time to take the lessons of space and apply them here at home—to bring our space technology down to earth.

All we need is for you to rise to that challenge. And if you do, I'll see to it that no one in Washington—or anywhere else—stands in your path.

DR. ABEL WOLMAN OF MARYLAND

Mr. MATHIAS. Mr. President, several generations of Marylanders have admired Dr. Abel Wolman, of the Johns Hopkins University, so I am not surprised that he is one of three scientists to receive this year the Tyler Ecology Award for his work benefiting mankind in the fields of ecology and the environment.

Although Dr. Wolman's home is Maryland, his renown is worldwide, and his accomplishments have, indeed, served to benefit all of mankind. We in Maryland are enormously proud of him. I know my colleagues in the Senate join with me in paying tribute to Dr. Wolman and to the two others—Dr. Rene Dubos, of Rockefeller University, and Charles Elton, of Oxford University—who share the Tyler Award this year.

Mr. President, the Baltimore Sun, on April 6, reported the honor bestowed upon these three distinguished men, and 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:

HOPKINS PROFESSOR SHARES PRE-EMINENT ECOLOGY PRIZE

(By Albert Sehlstedt, Jr.)

Dr. Abel Wolman, professor emeritus of sanitary engineering at the Johns Hopkins University, is one of three scientists to receive the third annual Tyler Ecology Award, it was announced yesterday.

The other scientists who will share the $150,000 prize, largest single award of its kind in the world, are Dr. Rene Dubos of Rockefeller University, and Charles Elton of Oxford University.

The Tyler Ecology Award, inaugurated in 1970 by John C. Tyler, founder of Farmers Insurance Groups, was established to honor a person or team of individuals working on a common project whose accomplishments have been recognized as conferring the greatest benefits on mankind in the fields of ecology and the environment.

More than a half-century ago, Dr. Wolman's work formed the basis of methods for chlorinating city water. This techique, in the opinion of expert observers, has probably had a more profound effect upon public health than any other single procedure in water management.

His scheme for the supply of treated municipal wastewater to Bethlehem Steel's Sparrows Point plant was also a pioneer accomplishment in the rescue of waste water.

Yesterday's announcement of the Tyler prizes was made by William S. Banowsky, president of Pepperdine University, which administers the awards, and Russell W. Peterson, chairman of the President's Council on Environmental Quality.

Last year, Dr. Wolman was one of 13 scientists named by President Ford to receive the National Medal of Science, the government's highest award for distinguished achievement in science and engineering.

Dr. Dubos, professor emeritus at Rockefeller University in New York city, is a microbiologist, who first demonstrated more than 30 years ago the feasibility of obtaining germ-fighting drugs from microbes. Dr. Elton is considered by many to be the primary founder of modern ecology and has pioneered many concepts now commonplace in the field.

WOMEN'S BUREAU OF THE DEPARTMENT OF LABOR SUPPORTS DISPLACED HOMEMAKER LEGISLATION

Mr. TUNNEY. Mr. President, the Displaced Homemakers' Equal Opportunity Act, S. 2541, is pending before the Senate Labor and Public Welfare Committee. It has the bipartisan support of 16 of my colleagues.

There is nationwide interest in the bill. Articles have appeared in the newspapers of our major population centers as well as in smaller communities from California to New Jersey. I have received countless letters from women's groups, from national organizations including NOW, NWPC, and the national YWCA in support of the measure. They have recognized that 3 to 6 million individuals, "displaced homemakers," are falling through the cracks of Federal jobs, education, and welfare programs. They have recognized that S. 2541 is a step toward bringing this group relief—making them self-sufficient, working, and contributing members of society.

Most recently, the Women's Bureau of the Department of Labor published an editorial in Women and Work, the Bureau's monthly journal, expressing the belief that this legislation is urgently needed. The statement is blunt, to the point, and describes the magnitude of the problem which S. 2541 will help ameliorate.

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

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

DISPLACED HOMEMAKER'S— A SOURCE OF GROWING CONCERN

(By Carmen Maymi, Director, Women's Bureau, U.S. Department of Labor)

WASHINGTON.—There is growing concern in government and among private agencies about the disadvantaged situation of the woman who has worked in the home, who has been dependent upon the income of another family member, and who in her middle years finds herself divorced, widowed or deserted with no financial resources and no marketable skills.

Such women, who have spent most of their adult lives raising children and making a home for their families, are often referred to as "displaced homemakers".

Their children have left home to make their own way and they no longer have a husband. They are without the support their husbands once provided and they cannot draw upon their husbands' social security benefits until they are 60 years old.

Those who have been divorced are ineligible for such benefits even when they reach 60. Members of the work force who lose their jobs or whose jobs are abolished can apply for unemployment insurance payments. But the housewife, whose labor in the home was unpaid, is not eligible for those benefits.

Often, employment would solve most of the displaced homemaker's problems, but she usually is without marketable skills. However, unless she has enough income to support herself during a training period, she is not likely to acquire job skills.

There are other employment barriers for her. The number of unskilled jobs in the economy is steadily declining and older women must compete with students and high school dropouts for those that do exist. Additionally, these women may be subjected to discrimination in employment because of their age, because they are women, and if they are members of minority groups because of their race or ethnic background.

Legislation has been introduced in Congress that would meet some of the needs of the displaced homemaker—job counseling, job training and placement services, health education and counseling, financial management services, educational counseling, and outreach and information services relating to existing federal programs.

The federal government does, of course, have a responsibility to help these women. But communities and organizations in the private sector also must help. Information and referral centers could be established to put mature women in touch with community resources available to them.

Employers could help by giving mature women special consideration, taking into account their experience as managers of homes, child care experts, and volunteer workers when their qualifications are evaluated.

Women's organizations might provide scholarships and other financial assistance to women who need education and training, conduct job orientation clinics, and set up free job placement services.

Estimates on the number of displaced homemakers range from two to six million. Their needs are urgent. They call for the combined efforts of our society to reach solutions to the problem.

WOMEN AND SOCIAL SECURITY

Mr. CHURCH. Mr. President, the Senate Committee on Aging is conducting a comprehensive study on "'Future Directions in Social Security."

All major issues are being examined closely.

The committee has already focused on the retirement test, the financing of the program, the need for an independent Social Security Administration, and many other issues.

Last fall we began work in another important area: the treatment of women under social security.

As chairman of the Committee on Aging, I appointed a distinguished six-member task force to prepare a working paper to serve as a springboard for discussion during 2 days of hearings.

That working paper also included several recommendations to strengthen social security for women and their dependents.

Recently I introduced legislation, S. 2860, to implement three key proposals advanced by the task force:

To provide social security benefits for divorced husbands and widowers on the same basis as for divorced wives and widows;

To eliminate the dependency requirements for husbands and widowers to receive benefits on a wife's earnings record; and

To reduce from 20 to 15 years the duration of marriage requirement for a divorced husband or wife to qualify for benefits on a spouse's earnings record and to remove the consecutive years requirement.

On March 22 Senator CLARK introduced legislation, S. 3185, to implement another recommendation of the task force. That bill would permit disabled widows and disabled surviving divorced wives to receive full social security benefits without regard to age. Under existing law, these individuals can receive actuarially reduced benefits at age 50.

Additional proposals will soon be introduced to implement other recommendations of the task force.

Mr. Wendell Coltin, a reporter for the Boston Sunday Herald Advertiser, has followed closely the work of the Committee's Task Force on Women and Social Security.

In a recent column he provides an excellent summary of several important issues affecting women under social security.

Mr. President, I commend this account to my colleagues, and ask unanimous consent that it be printed in the RECORD.

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

[From the Boston Sunday Herald Advertiser, Feb. 8, 1976]

MEDICINE MAILBOX—TASK FORCE RECOMMENDING WAYS TO IMPROVE BENEFITS FOR WOMEN AND DEPENDENTS

(By Wendell Coltin)

Several Medicare Mailbox columns ago, which appeared the latter part of 1975 and in early 1976, we familiarized our readers with the report made by the six-member Task Force on Women and Social Security to the Senate Committee on Aging.

Now, Sen. Frank Church (D.-Idaho), chairman of the Senate committee, has introduced legislation, based upon recommendations of the Task Force, to improve Social Security protection for elderly women and their dependents.

Also, Sen. Harrison A. Williams, Jr., (D.-N.J.), a former chairman of the Committee on Aging and its ranking member, is a sponsor of legislation "to correct longstanding inequities between the treatment of men and women and their respective dependents," under Social Security law.

The Church package would accomplish the following:

Provide Social Security benefits for divorced husbands and widowers on the same basis as for divorced wives and widows.

Reduce the duration of marriage requirement from 20 to 15 years for a divorced wife or husband to qualify for benefits on the earnings' record of a spouse and remove the consecutive years of marriage requirement.

Remove the dependency requirement for husbands and widowers to receive benefits on the wife's earnings' record.

Sen. Church points out, "A retirement income crisis now affects millions of elderly women and threatens to engulf many more. Older women are nearly twice as likely to be poor as older men. Nearly 2.3-million aged women live in poverty, or 18.3 percent of all elderly women."

The proposals are not only based on recommendations of the Task Force, but are also the result of testimony taken at a hearing in 1975.

"As things now stand," Sen. Church says, "Social Security taxes paid by women workers do not generate as much protection for their family members as the taxes of men.

"I believe there should be equality of treatment between males and females, whether they be workers or dependents. Social Security compensates for earnings loss; and it should recognize the earnings' loss of the woman, regardless of the part the earnings play in family income."

Sen. Williams also observes, "Compared to the husband, at present the wife's contributions to the Social Security system purchase considerably less in terms of dependents' benefits. Yet, certainly the 30-million working women in America deserve the same rights and protection for their dependents as working men. Such explicit sex discrimination clearly calls for correction.

"Under current law, sex discrimination exists in the absence of any benefits for divorced husbands. Benefits based on a former husband's earnings' record are available for aged divorced wives and for (divorced) widowers, provided their marriages have lasted 20 consecutive years. However, comparable protection is not provided for aged divorced husbands, or for widowers.

"The proposed legislation would change the law to provide Social Security benefits for divorced husbands and (divorced) widowers on the same basis as for divorced wives and widows. In addition, it would eliminate the dependency requirement for entitlement to husband's and widower's benefits. Currently, if a husband covered by Social Security dies, his wife is presumed eligible for benefits, even if she is working and has always worked; but if a working woman covered by Social Security dies, or is disabled, the husband must prove he had been dependent upon her income. The bill would drop the dependency requirement and make the law apply equally to men and women."

Sen. Williams, also pointing out his proposed legislation stems from the findings and recommendations of the Senate Committee on Aging, states:

"My goal is to make the Social Security system as free as possible of discrimination between the treatment of men and women. Times have changed drastically over the past quarter century, particularly with regard to the growing role of working women; and there is every indication this trend will continue in the foreseeable future.

Sen. Williams points out that between 1940 and 1970 the proportion of women in the labor force jumped from 26 percent to 40 percent. During 1973, in just over half of all husband-wife families (husband aged 23-64), both members worked.

He adds, "It is important that the Social Security laws be amended to reflect these changes in society. The legislation I have offered is a major step toward eliminating discrimination on the basis of sex in Social Security."

Coincident with our receiving information from Sens. Church and Williams about their proposed legislation, we received this letter from a woman in a suburb:

"Dear Mr. Coltin:

"Thank you for your columns about Social Security, the elderly and especially your concern for divorced women.

"I was married for 26 years before my divorce in 1960. I am 68 years old, but so far have not been able to collect any Social Security because my ex-husband is a physician and is still practicing. I am told I will not receive any until he is 72.

"He will be 70 by the end of March.

"It does seem hard to have to wait until he is 72, when some people can collect at 62. My small alimony has not increased in 15 years. But inflation, taxes, medical insurance certainly have; and my rent has increased twice this year. I don't know how I can survive three or more years.

"I am glad some changes are taking place for women as I feel homemaking and child-raising is a big and reasonable job. In fact, I feel if more mothers could stay home, we would have fewer runaways and fewer problems with the young, which is costing us all so much in rehabilitation programs.

"Is there any possibility the eligible age will be dropped to 70 years? I read somewhere it is being considered. This is my only hope. If you have any advice for me, I would appreciate hearing from you."

A. There has been proposed legislation to reduce from age 72 the age at which persons could receive Social Security without any limitation on earnings. Certainly, we can sympathize with you in your not being able to collect a divorced wife's benefit until your former husband, the physician, starts collecting. That's hard medicine to swallow; but when attention is given to the proposal to reduce the years-of-marriage requirement to 15 years, from 20, perhaps consideration should also be given to the elderly divorced wife in the predicament you have found yourself.

HONOULIULI INTERNMENT CAMP

Mr. INOUYE. Mr. President, for many years now, an increasing number of Americans have been learning about one of America's most flagrant violations of civil rights—the internment of more than 100,000 innocent persons of Japanese ancestry in the United States during World War II. Part of that unfortunate experience was conveyed only recently in a television network dramatization, "Farewell to Manzanar," which was broadcast throughout the country. And this spring, a new and comprehensive history of the wartime internment has been published by Michi Nishiura Weglyn, entitled, "Years of Infamy: The Untold Story of America's Concentration Camps."

Of course, Americans, mindful of our cherished Bill of Rights, have taken steps to prevent the reoccurrence of the internment camp experience in the United States. In 1972, the White House and Congress approved the repeal of the emergency detention provision—title II—of the Internal Security Act of 1950. In February of this year, President Ford officially repealed Executive Order 9066 that authorized the internment camps in World War II.

Much of the literature available today on the internment camps has told of the frightful detention facilities built in several mainland States. In my own State of Hawaii, where Japanese Americans comprised a sizable portion of the local population in the war years, mass internment like that in the mainland apparently seemed unfeasible for Federal authorities; it may be said the anguish of Japanese Americans in the mainland, loyal to our great Nation, was not felt as deeply in the Islands.

To the surprise of many Hawaii residents, myself included, and of a number of Japanese Americans who endured the mainland camps, the Honolulu Star-Bulletin last month reported of an internment camp that operated in Hawaii, within 10 miles of Honolulu and Pearl Harbor. I have known for some time about the harassment of some Hawaii residents who were wrongly suspected of sabotage and espionage, and it is well known that some were sent to camps in the mainland.

The story of Camp Honouliuli is not so familiar, however. It did not seem as harsh an environ as such camps as Manzanar or Tule Lake. Nevertheless, it stood as a regrettable symbol of our wartime hysteria and of a shocking chapter in the history of a great nation so dedicated to the protection of human rights and freedoms.

I ask unanimous consent to have printed in the RECORD the Honolulu Star-Bulletin story so that others may learn of Camp Honouliuli.

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

[From The Honolulu Star-Bulletin, March 18, 1976]

HONOULIULI INTERNMENT CAMP: OAHU'S FOOTNOTE TO A DARK CHAPTER

(By Hank Sato)

"I was told I was inimical to the best interests—or security—of the United States," Samuel M. Nishimura said as he sat in his Haleiwa tailor shop and recalled his World War II experiences.

"I didn't know for sure what that meant," he said. "I went back to my barracks and looked up 'inimical' in the dictionary."

That was in April 1942 and Nishimura, now 70, had already been in custody for about two weeks on Sand Island.

The dictionary told him that despite his U.S. citizenship, a military panel had adjudged him "guilty" of being an American who could not be trusted in time of war.

This was confirmed about two months later when he received a letter from Hawaii's military governor which said "it appears necessary to intern you for the duration of the war."

The martial-law decision did not specify charges against Nishimura. There was no word that he had been convicted of a crime.

After some 10 months of detention on Sand Island, Nishimura and several others were transferred to an internment camp at Honouliuli.

The camp had been carved out of a canefield in Honouliuli Gulch and, as the war progressed, was expanded to accommodate prisoners-of-war taken in the South Pacific.

The Honouliuli camp was mainly for nisei (second-generation Japanese-Americans) whose loyalty was questioned by U.S. military authorities. Under martial law, none of the internees was allowed to contest his incarceration in the courts.

Compared with relocation camps on the Mainland where thousands of West Coast

Japanese-Americans were interned, the Honouliuli camp has received scant publicity.

The fact that it existed is not generally known, although oldtimers in the Waipahu and Ewa areas recall a "concentration camp" for prisoners-of-war.

"I do not recall such a camp," said Edward J. Burns, brother of the late Gov. John A. Burns, who had done police intelligence work during the war.

Dr. Ernest I. Murai, retired U.S. Customs chief who was active in the war effort, said he, too, was unaware the Honouliuli camp existed.

Incarceration at Honouliuli lasted from several months for some to more than two years for others.

Dan T. Nishikawa, 66, a retired Dole Co. employe, recalls the ride from Sand Island to Honouliuli in early 1943.

"There were about 60 of us," he said "We rode in two trucks. There was a Jeep in front and another in the back. Both had machine guns aiming at us.

"At our sides were military policemen on motorcycles."

Nishikawa said the trucks turned mauka off Farrington Highway near an Oahu Sugar Co. pumping station and took a bumpy dirt road into Honouliuli Gulch.

He said there were about 15 wooden barracks in the compound which was surrounded by a barbed wire fence. Armed guards patrolled outside the fences.

Guard towers were built later by the internees.

"We slept in double-decker beds and there were about eight to 10 men in each barracks," Nishikawa said. "Mosquitoes were a big problem."

Tetsuo Oi, 66, vice president of Hitachi Sales Corp. of Hawaii, said the camp was "deep in the valley and we couldn't see anything."

A SECTION FOR WOMEN

The camp included a women's section which was separated from the men's barracks by a barbed wire fence. Among the women internees was Mrs. Yoshio Harada, whose husband shot and killed himself after aiding a Japanese pilot who had crash-landed on Niihau on Dec. 7, 1941.

Other women who are said to have spent time at Honouliuli were Helen S. Nakagawa, Ryuto Tsuda, Haruko Takahashi, Masako Fujimura, Yasue Takahashi and Teruchiyo Suzuki.

Meals were served in a large mess hall. The internees did their own cooking.

To keep themselves busy, internees took up handicraft or volunteered for camp chores. They were paid 10 cents an hour for camp work. The American Red Cross gave them $3 a month.

Softball games were the main group recreation.

Nishimura worked in the tailor shop six days a week. His assistant for a time was Henry Tanaka, 64, of Waimea, Kauai.

Tanaka, an appliance dealer, later taught English grammar to the internees.

He was taken into custody Feb. 10, 1942, in Waimea as he walked home from work. He was released 2½ years later.

His internment included time at the Waimea and Wailua jails on Kauai, Sand Island and Honouliuli.

Robert S. Muroda, 70, of Waianae, said he was the camp's mess sergeant.

He said the internees were issued the same food rations as the military.

"We often exchanged food items with the GIs," he said. "For instance, they didn't care too much for canned fish and we didn't care for chili con carne. So we traded."

THE GUARDS WERE FRIENDLY

There was generally agreement among former internees interviewed by the Star-Bulletin that the guards were friendly.

Nishikawa, who works part-time for a local radio station, said he remembers a Sgt. Loveless who was stripped of his rank because he did a favor for the internees.

"Coral dug out from Pearl Harbor was brought to the camp to cover the dirt roads," Nishikawa said.

"There were lots of seashells mixed with the coral and we wanted to pick them up to make trinkets to keep ourselves busy.

"So we asked Sgt. Loveless and he let us out of the gate.

"The next time I saw him, he didn't have his stripes. He was demoted because someone had reported to the camp commander that he had gone out with us without his weapon."

Nishikawa said internees were wary of guards who had just been transferred from the Mainland.

"We were always forewarned about new arrivals," he said.

He recalled one shooting incident but said no one was hurt.

"A Mr. Tsuchiya, who was partly deaf, volunteered to pick up rubbish outside the gate area.

"He kept his eyes on the ground and was unaware that he was approaching a guard. The guard yelled 'halt' but Tsuchiya kept on walking.

"The guard then fired several shots at Tsuchiya's feet."

FAMILIES COULD VISIT

Families were allowed to visit the internees about twice a month—on Sundays. They met in the mess hall.

"We were also allowed to write letters," Oi said. "But when they reached my family there were lots of pukas in them. The censors had snipped parts of the letters. They didn't want us to write about camp life."

Nishimura, the tailor, said one person died in camp of natural causes and two others had nervous breakdowns.

"One ended up in the nut house in Kaneohe," he said.

What criteria did the military government use in selecting internees?

For men like Nishimura, Muroda and former Territorial Rep. Thomas T. Sakakihara of Hilo, prewar education in Japan was not the reason. They had never been to Japan before the war.

For the Kageura brothers—Nobuo, Tadao, Chojiro and Yutaka—that probably was the reason.

"We were educated in Japan," said Nobuo Kageura, who is now in the roofing business in Honolulu. "I guess that's the only reason they picked us up."

Muroda, born in Waianae, was a sugar plantation carpenter when he was taken into custody.

"I was called to the plantation office in the afternoon in September 1942 and I was told that I was being taken to headquarters for questioning," he said.

"I was asked a few questions at the Dillingham Building and since it was late in the afternoon, they told me I'd better stay overnight. That's how my interment began."

"ON THE BLACKLIST"

Nishimura said he had heard that "I was on the blacklist even before the war. Why, I don't know."

"I had never been to Japan and had no ties there except through my parents.

"I think the two things they used against me was that I held dual citizenship and the fact that I once signed a bank note to buy a truck for the Japanese Red Cross.

"My father was to sign that note but since he did not have an account at that bank, I did."

Nishimura said a neighbor had been educated in Japan but was never interned.

"I guess nobody squealed," he said.

Sakakihara said he was picked up Feb. 22, 1942, "on suspicion of being an alien," which he is not. He said his late father, Shinzo, was an alien was but not interned.

Shortly after the Pearl Harbor attack, Sakakihara was named special deputy sheriff to advise Hilo police and to act as a liaison between police and the military.

He said he was "removed" from the job three months before he was arrested.

FORMER JAPANESE SOLDIER

For Shinzaburo Sumida, 61, president of Honolulu Sake Brewery & Ice Co. Ltd., the reason why he was interned was clear.

Sumida was a student at the Tokyo University of Commerce in the late 1930s when he was drafted into the Japanese army.

He spent two years in China as a second lieutenant; was discharged and returned to Hawaii in December 1940.

He was arrested on Christmas Eve, 1941.

"I did feel that an injustice was being done," he said. "But somehow, justice was beyond my reach.

"All they had to do was point to my service in the Japanese army. And that (army service) was a fact."

From Sand Island, Sumida was sent to the Mainland. His first stop after reaching California was Camp McCoy, Wis., which was later to become the training camp of the 100th Battalion.

He was sent back to Hawaii in August 1942, and after a few weeks on Sand Island was interned at Honouliuli where he stayed until November 1944.

"We all had a hearing then," Sumida said. "They segregated the 'desirables' and the 'undesirables.' The 'desirables' were released.

"I was one of the 'undesirables,' and along with about 100 others I was sent to Tule Lake, Calif. We stayed there through the end of the war and returned to Hawaii in December 1945 to be released."

BLAMES FBI AGENT'S WIFE

Isao Okada, 61, who sells fishing supplies in Kaimuki, said the wife of an FBI agent is partly to blame for his internment.

"I was a food peddler, and certain foods were scarce right after Pearl Harbor. So I used to save them—things like cucumber and celery—for my regular customers.

"One day I sold some celery I had hidden in my truck to a regular customer. The FBI agent's wife saw me do that.

"The next day the agent came and asked to buy some celery. When I told him I didn't have any, I was told to report to the Immigration Office for interrogation. I got called in seven times."

"Finally I got tired and told them that they should put me in if they thought I was dangerous."

Okada was taken to Honouliuli and later to Tule Lake.

Although the internees were to be kept "for the duration" many were "paroled" during the war.

Before being released, each parolee was required to sign a promise that he would not bring a damage suit against the U.S. government as a result of the internment.

Sakakihara, 76, recalls that he signed the statement after he had returned to Hilo.

"I was coerced—intimidated—into signing that statement," he said. "I was told that if I didn't sign I would again lose my freedom.

"I could have taken it to any court and had it nullified. But it's all pau now."

Nishikawa said the internees "should have been compensated for the time we lost in camp. We could have been doing something productive outside."

DOUBTS OF LOYALTY PERSISTED

Tanaka said that after his release, "There was some doubt in the minds of some of my friends of non-Japanese background as to my loyalty."

"This thought was hard on me.

"One of the saddest moments in my life was when my Caucasian benefactress, who had made it possible for me to finish my last two years in high school, refused to see me when I went to visit her on her sickbed. She sent word that she was disappointed in me."

These prominent Island men were among those interned at Honouliuli:

Former Territorial Sen. Sanji Abe, 81, who resigned from the Legislature during his confinement.

The late James Murakami, former City-County auditor.

Kanichi Takitani, father of State Sen. Henry Takitani of Maui.

Shigeru Horita, father of developer Herbert K. Horita.

Gosei Kodama, principal of the Makiki Japanese Language School.

Today, only traces of the old camp remain at Honouliuli. Two concrete floors of what used to be mess halls can be seen. Wooden posts that used to support barbed wire still stand.

The gulch is now populated by about 50 head of cattle owned by Louis Santiago, who has leased the land from Oahu Sugar Co.

The coral roads are visible under a thin layer of dirt.

Many of the internees have never gone back to take a second look at the camp. Some tried but were unable to find it.

Nishikawa said he will never go back.

"I don't want to look at that damned place," he said.

HEALTH MANPOWER PROGRAMS

Mr. DOMENICI. Mr. President, I was interested to note the recent approval by the Subcommittee on Health legislation authorizing new health manpower programs. The measure was referred last week to the full committee for consideration.

The provisions in the measure of particular interest to me would allow Federal and State institutions to be designated "underserved" areas by the Secretary of Health, Education, and Welfare. Earlier this year, I proposed an amendment to the health manpower bill which would make such an accommodation, and I am pleased the subcommittee incorporated the substance of that amendment into the bill.

Although we are well aware of the health manpower shortages throughout the country, we usually think of large geographic boundaries when, in fact, health shortage areas can also be close by—in our public institutions. This measure would allow Federal and State-operated facilities to be considered as viable options to the National Health Service Corps scholarships recipients.

Public mental centers have long been understaffed in many areas of the country—including urban areas. This legislation would give a boost to this public service long in need of corrective and innovative action. I am sure everyone in this body can all point to some examples in each of our own States as well as right here in Washington, D.C., clearly illustrating an insufficient and inhuman patient/doctor ratio. Juvenile detention centers, prisons, and other public facilities could, at last, have adequate medical personnel.

I also note that the bill would allow a doctor serving in such an institution to conduct a private practice should his or her services not be needed on a full-time basis. It seems to me that this flexibility is important to attract prospective doctors to the scholarship program.

Mr. President, at this time, I would like to urge the full Committee on Labor and Public Welfare to retain these important broadening provisions in the final health manpower bill.

THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, it has been argued that the only reason for ratifying the Genocide Convention now is that it would improve the image of the United States in the eyes of the Soviet Union and other authoritarian parties to the convention. My answer is that the convention should be ratified, because the United States wants officially to demonstrate its opposition to genocide. U.S. ratification would be the final convincing step that would reaffirm our commitment to prevent and punish genocide. Ratification would be as beneficial to the moral strength of our Nation as to our good standing in the international community.

There is no doubt that ratifying the convention would enhance the impression which other nations have of us. The 82 nations that have signed the convention and the others which have failed to do so only because of our own stubbornness cannot understand the grounds for our opposition. In the quarter-of-a-century history of the convention, no nation has encountered any of the difficulties that opponents of ratification here have said the United States would encounter. Failure to ratify the treaty hurts our credibility worldwide.

World War II is not so far distant that many of our citizens and those of other nations have forgotten the atrocities which occurred then. The people of all nations will benefit by our ratification. We will remind ourselves and all peoples that 20th century mankind will not tolerate the savagery of the past.

THE BICENTENNIAL WALTZ

Mr. PASTORE. Mr. President, the State of Rhode Island, though our smallest, has contributed out of all proportion to her size to American political thought and to the establishment of a free and independent United States.

Roger Williams, founder of Rhode Island, bequeathed to the Nation a set of principles first practiced there and later enshrined as basic rights in the Constitution—the freedoms of religion, thought, and speech and the separation of church and state.

Twelve years before the Declaration of Independence, Rhode Islanders fought a pitched battle with Redcoats, captured a British fort in Newport and fired the fort's cannon at a British warship, damaging the vessel.

For the next 12 years, Rhode Islanders, chafing under increasingly autocratic and oppressive acts by the British, engaged in a long series of skirmishes, battles, and rebellions. In one of these incidents, a group of Rhode Islanders seized and burned to the waterline the revenue ship HMS Gaspee in June of 1772.

Then, 2 full months before the other 12 colonies did so, Rhode Island declared its independence. This bold action by the only colony that had never had a crown-appointed royal governor created the first free republic in the new world.

I am proud of my State's role in the formation of our Nation, Mr. President, just as I am proud of the marvelous contribution of Mrs. Eunice Flink Brown, a Rhode Islander and dear friend of mine, to the celebration of our Bicentennial. Mrs. Brown has composed the lyrics and music for the Bicentennial Waltz, an altogether lovely composition that has attracted national and international acclaim. Mrs. Brown thought it would be appropriate that on our 200th birthday we should have birthday music, song, and dance music, rather than another military march.

And I think it would be appropriate here, Mr. President, to introduce the Bicentennial Waltz to all my colleagues in the Senate and the House of Representatives so that they have the same opportunity as the President of the United States and Queen Elizabeth to enjoy this beautiful musical salute to America's 200th birthday.

President and Mrs. Ford have danced to Mrs. Brown's composition at the National Symphony Ball. Our vivacious composer herself performed the Bicentennial Waltz for Lady Frances Ramsbotham, wife of the distinguished British Ambassador, who transmitted a copy of the score to the Queen.

Furthermore, the waltz has been recorded by the National Symphony String Quartet and published as sheet music.

For her excellent composition, Mrs. Brown has been memorialized in a resolution by the Senate of the State of Rhode Island.

I intend to furnish all Members of the Congress with a copy of this marvelous music for their pleasure and as a memento of the State of Rhode Island.

Mr. President, I ask unanimous consent to have printed in the RECORD a copy of the lyrics, a copy of the resolution by the Rhode Island Senate, and several letters received by Mrs. Brown concerning the Bicentennial Waltz.

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

THE BICENTENNIAL WALTZ

(Moderate Waltz in ¾ time)

Our hearts, our hands we pledge to thee
We're ever yours, eternally,
We're all for one and one for all,
Fifty states, large and small.
For two hundred years you have served us and
Protected our freedoms, our homes and our lands.
We give to you a birthday wish:
Many years to come from seventy-six.
Two hundred years ago began
A brand new breed—American.
Our birthday now we celebrate,
And give our thanks in every state.
From thirteen small colonies all alone,
To fifty great statehoods today we have grown.
You stand so tall, so proud, so free,
The world's great light of liberty.

SENATE RESOLUTION EXTENDING CONGRATULATIONS TO MRS. RUSSELL MORTON BROWN FOR HER COMPOSITION, "THE BICENTENNIAL WALTZ"

Whereas, Mrs. Russell Morton Brown, native of Rhode Island, daughter of Mrs. Rose Flink and the late A. V. Flink, and wife of Russell Morton Brown of Rhode Island and Alexandria, Virginia, now a prominent Washington attorney, has long been associated with cultural endeavors, especially as a patron of the National Symphony Orchestra; and

Whereas, Mrs. Brown has now won recognition for her own musical gifts in a composition which reflects the love of country and dedication to the Muse instilled by her upbringing; and

Whereas, This lyrical piece, entitled "The Bicentennial Waltz", published by Chapel Music, and recorded by the National Symphony String Quartet, featuring the famous soprano, Myra Merritt, has been aired on NBC News T.V. and on the Panorama Talk Show in Washington, D.C.; it was proudly presented in the February, 1976 Rhode Island Bicentennial Day Performance at the United States Capitol, at the Canadian Embassy, and at the National Symphony Ball, where it was performed by the renowned Peter Duchin Orchestra, President and Mrs. Gerald Ford and many Washington notables, including television personality Barbara Walters, being among the dancers. Now a delightful addition to the repertoire at many Washington Balls, the "Bicentennial Waltz" was performed by Mrs. Brown herself for Lady Ramsbotham, wife of the British Ambassador to the United States, who forwarded a copy and a recording of the composition to Queen Elizabeth. The response from the British Sovereign to Mrs. Brown expressed her congratulations and her desire to hear the waltz again during her visit to the United States this year; and

Whereas, The highest praise and warmest felicitations are due Mrs. Russell Morton Brown for her creation of a work of grace and beauty honoring the bicentennial celebration of our nation's independence; now therefore be it.

Resolved, That the senate of the State of Rhode Island and Providence Plantations extends its most exultant congratulations to the gracious and gifted Mrs. Russell Morton Brown for her composition, "The Bicentennial Waltz"; and be it further

Resolved, That the secretary of state be and he hereby is authorized and directed to transmit a duly certified copy of this resolution to Mrs. Russell Morton Brown.

WASHINGTON, D.C.,
June 20, 1975.

MRS. RUSSELL MORTON BROWN,
Alexandria, Va.

DEAR MRS. BROWN: Thank you so very much for sending Mrs. Washington and to me a copy of your own musical score, The Bicentennial Waltz. We are privileged to know you—the composer and to have our own autographed copy for posterity.

We were certainly thrilled to have the opportunity to dance to The Bicentennial Waltz when Howard Devron and his orchestra played for The Opera Ball earlier this month.

On behalf of the citizens of Washington, I wish to thank you for your creative contribution to the celebration of our Bicentennial.

Sincerely,
WALTER E. WASHINGTON,
Mayor.

WASHINGTON, D.C.,
January 23, 1975.

MS. EUNICE F. BROWN,
Alexandria, Va.

DEAR MS. BROWN: Mr. J. Curtis Fee of the White House staff has very kindly shared with us your composition, "The Bicentennial Waltz". As interest in the Bicentennial gathers impetus across the country, interest in the music created for the occasion will certainly be widespread and we hope that many will have the opportunity to enjoy your work.

While this Administration has adopted a policy of not designating official Bicentennial works in any art form in order to promote full freedom of expression for the Bicentennial, we do maintain a file of works that have been submitted to us for possible use by Bicentennial planners. I am pleased to place "The Bicentennial Waltz" on file and will have interested parties contact you directly regarding use of your work.

We appreciate your interest in the Bicentennial. If you should have any further questions or comments, please do not hesitate to contact us. In the meantime, please accept our thanks and best wishes.

In The Spirit Of '76,
JOHN W. WARNER,
Administrator.

WINDSOR CASTLE,
December 27, 1975.

MRS. RUSSELL M. BROWN.

DEAR MRS. BROWN: Lady Ramsbotham gave me a copy of the score of the Bicentennial Waltz, of which you have composed the lyrics and the music, and also a tape recording by the National Symphony String Quartet of this work.

As requested, I have given these to The Queen and Her Majesty commands me to send you an expression of her warm thanks and appreciation for them. The Queen is most grateful for this gift.

As I am sure you realize, The Queen and The Duke of Edinburgh are much looking forward to their visit to the United States of America next July and the score and recording of the Bicentennial Waltz comes, therefore, at a most appropriate time.

The Queen sends you her best wishes for 1976.

Yours sincerely,
MARTIN CHARTERIS.

JOE HARP: NEWSPAPERMAN

Mr. MATHIAS. Mr. President, 50 years is a long time to be in one place, but in the case of Joe Harp, the executive editor of the Herald-Mail Co., which publishes the daily newspapers in Hagerstown, Md., 50 years may not seem like a long time at all. March 25 marked the 50th anniversary of the day he went to work for the newspaper company, and although many things in life have changed since then, the Hagerstown Herald and Mail, and Joe Harp, are still going strong, serving the citizens of western Maryland in the best journalistic traditions. The anniversary of their association is one that merits congratulations, and I am sure that my colleagues join me in extending best wishes for many more years of service together to Joe Harp and the Hagerstown Herald-Mail.

The Morning Herald, on March 29, published an account of Joe Harp's first 50 years at the company, and I ask unanimous consent that it be printed in the RECORD.

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

JOE HARP: FIFTY YEARS AT THE MORNING HERALD AND STILL GOING STRONG

Fifty years ago, a young fellow named Joseph Moody Harp went to work for the Morning Herald.

Emory Dansberger, now living in retirement here after serving for decades as composing room foreman for the Herald, remembers that new employe very well.

"He came into the composing room one night after he'd been working a few days," Dansberger recalls. "I asked him how he liked his new job.

"Joe told me he wasn't sure, that he hadn't made up his mind yet. I got the impression that he had prospects of going some other place to work."

Whatever uncertainty may have existed in the final days of March, 1926, had no permanent effect on Harp's newspaper career. He must have made up his mind, because he's still on the job. March 25, 1976, marked the 50th anniversary of the day he began employment with the Herald-Mail Company.

Hagerstown journalism was different from today in a lot of ways when the recent graduate of Smithsburg High School began his newspaper career.

The Morning Herald sold for two cents, if you bought it at a newsstand or from one of the men and boys who hawked it on downtown corners. If you subscribed on an annual basis, you got it for $4.50 per year. Even so, circulation was lower than 5,000 copies per day, in a year that was close to high water mark for the post-war prosperity and growth around here.

The Herald and the Daily Mail occupied in 1926 the same site they share today. But the newspaper structure was much smaller, before periodical expansions in the last half-century. Even so, it contained a big job department, where the newspaper company printed all sorts of letterheads, sale announcements, pamphlets, and various other non-newspaper things.

The building stood at that time on South Jonathan Street. It wasn't until a bit later that the block was renamed as part of Summit Avenue.

Some of the older employes with whom Harp worked in 1926 had been on the job in the era when all newspaper stories were set by hand by men who laboriously picked each letter, space and punctuation mark out of little compartments in large wooden boxes, then just as painstakingly returned them to their proper places after each edition had come off the press. Among them was a survivor of the first daily newspaper in Hagerstown which began publication in the 1870's, Billy South.

There was competition for the Herald reporters, not only from the sister publication, the Mail, but also from the Hagerstown Globe, which was still appearing daily from a building in the first block of North Potomac Street.

Editor of the Herald when Harp accepted the job with the newspaper was C. Neill Baylor. Illness had confined him to his parent's home in Charles Town during most of the week when Harp began his duties on a Thursday.

Writing sports for the Herald was Frank Calley. He was a former minor league pitcher who had turned into a journalist when his arm started to give out. He wrote a column called "Seeing 'Em" at that time, because he hadn't invented the title that became famous here, "The Colley-See-Um of Sports."

The only Herald journalist who got bylines regularly, other than Colley, was Dixie. That was the penname used by Roxanna White. She was in charge of the Herald's social page, but she also wrote many feature stories for its news pages.

Dixie is today Mrs. John S. Kieffer, a resident of Annapolis. She is the widow of an internationally known educator who had an important role in making St. John's College in that city a leader in liberal arts education.

Asked what she can remember about the cub reporter, Mrs. Kieffer responds:

"I have been trying to bring foggy memories into sharper focus without much success. I remember Joe as a good-looking, pipe-smoking young man full of eagerness and goodwill.

"His eagerness to work was soon rewarded by shouts of 'Answer the phone!' from Frank Colley and me because, unless it was our phone ringing, Frank and I didn't like our profound thoughts interrupted. We couldn't, of course, shout to Neill Baylor to answer the phone because he was the boss.

"Neill Baylor, with his imperturbable disposition, was a good editor to work for, too. He was a quiet man and he never banged the desk and swore (as edtiors are supposed to do) if you slipped up on a story.

"Garvin Hager was assistant editor at the time I went on the paper. He bubbled over with excited enthusiasm about good stories, which sometimes amused Neill, but they made a nicely balanced team. Garvin later moved over to the Mail to join Pete Hawken, a wise and kindly man, who was the Mail's longtime editor."

Evidencing needless concern for the condition of her memory, Mrs. Kieffer continues:

"If my memory is right, Joe Harp was to cover police court, but on a small staff everyone at times becomes a general reporter, a political expert, a theatrical critic (Hagerstown had good professional plays from the Broadway world in those days) and everything else.

"Joe was interested in music and played in a band. He used to bring a big brass horn to the office where it gleamed incongruously beside the typewriter on his desk. There was some apprehension that he might play it right there. Sometimes he did.

"I do not recall Joe showing any special interest in amateur theatricals then but I know he did later. My sister-in-law, Paula Kieffer, has a history of the Potomac Playmakers which lists his name as a member of the cast of 'The Barker,' produced March 3, 4 and 5, 1937.

"Joe was popular with the staff and his friendliness and good nature made it easy for him to be a good news getter. I think those same qualities, plus mature judgment, have made him a good editor."

Mrs. Kieffer also recalls how different things were politically for Hagerstown journalists when Harp was beginning his career. The Herald was firmly Republican while the Mail was strongly Democratic on the editorial page, and sometimes elsewhere. Both newspapers have become politically independent in more recent years.

She remembers:

"The political duality of the Herald-Mail Company was sometimes puzzling to outsiders but to us it was no problem. Neill could write Republican editorials with a clear conscience because he was a Republican. Mere reporters did not have to swear allegiance to either party. If a Democrat was sent to cover a Republican meeting he gave an objective report and remembered he was not writing an editorial. But arguments did get hot within the staff at election time.

"There was one famous occasion when this dual personality of the papers got the politicians all uptight. The Herald came out one morning with a list of Democrat candidates in big type, urging readers to vote for them. There was consternation at Republican headquarters (some cried 'Spy!'), but glee among the Democrats. The makeup man had forgotten to lift the type from the forms used by the Mail the preceding afternoon.

"Perhaps present day printing technology would prevent that now, I don't know. But at least in the old days our linotype operators knew the proper division of words and one didn't see the strange disregard for syllables that modern printing methods have produced.

"There were old stand-by stories that could be dusted off when news was really scarce. One was the annual spring freeze that threatened the Washington County peach crop. More colorful was the reappearance of the Snallygaster. The Snallygaster was a strange monster that roamed South Mountain and would appear at intervals to late-night revelers driving the road that passes Dahlgren Chapel. Details of his appearance differed but all witnesses agreed on the fiery eyes.

"I never saw the Snallygaster, was never assigned to interview him, don't know how far back he goes, or who named him. He was the Loch Ness Monster, the Unidentified Flying Object, of that place and time.

"It is sad to think that, except for Joe, none of those I have mentioned is alive to share these memories with me, and set me straight on a few. Here at the Herald in those days there was a friendly camaraderie which made it a pleasant place to work. Joe must have thought so too."

Baylor, Hager, and Colley are all dead now. So are most of the individuals who wrote for the Daily Mail in 1926.

But J. Richard Rauth, residing in Hagerstown in retirement, has a special reason for remembering Harp's debut as a journalist. He went to work for the Mail at almost the same time that Harp began to report for the Herald.

When Harp was beginning his half-century career, Rauth was transferring allegiance from the Globe to the Daily Mail. The change occurred because Rauth had a well-grounded suspicion that the Globe's lifespan was approaching its end.

Harp and Rauth always worked on different shifts in the same building. Both of them progressed from the status of reporter to that of editor. Their contact on the job was confined mostly to the time around the change of shifts. But that was enough for Rauth to acquire a firm early impression of Harp.

"He has always been such a dependable sort of fellow," Rauth said recently.

"People knew that they could always rely on Joe. He was a workhorse, too."

Back in the 1920's, Rauth points out, "Everyone worked hard" for the news staffs. There weren't many reporters to cover the basic sources that still provide most of the important local news stories today.

The two reporters had the same basic assignment back in the late 1920's, that of covering police news. They got along very well, Rauth recalls.

"There was no real rivalry between us. Things ran right along very smoothly."

In those boom years of the late 1920's, before the Depression, local journalists found their expenses almost as modest as the cost of the newspaper or their salaries.

If Harp decided to eat a meal downtown instead of going home for it, there was a lunchroom at 15 S. Jonathan St., just a few doors from the newspaper building, whose plate lunches in early 1926 cost 26 cents, with "regular meals" offered at 35 cents.

Run of mine coal was selling in Hagerstown for $5.25 a ton as that winter approached its end. People who used Pocahontas nut paid $8.50 for it.

One real estate firm was offering a quantity of houses for rent. They ranged in size from four to six rooms and in cost from $12 to $20 per month. Another firm was trying to sell a bungalow on a 16-acresite with trolley service at the door for $3,200.

Salaries weren't big for reporters, but they weren't impressive for most other fields of labor, either. The state was seeking attendants for hospitals, for instance, offering $25 to $40 per month in addition to board. Someone needed a barber in Hancock and offered to pay between $30 and $40 per week for the right man.

Harry Myers' grocery store offered pork chops at 32 cents per pound, chuck roast for 18 cents, and chocolate creams for 17 cents per pound. At the other extreme, the newest model Overland, a popular light auto of the day, was selling here for $596.

Mrs. Kieffer's memories of live drama here were accurate. That production in which Harp participated was a Kenyon Nicholson play which had starred Walter Huston when it ran on Broadway.

Harp played the role of a ticket purchaser in what was billed as a "vivid drama of the North Carolina hills in February" with a carnival setting. The complete cast for the local production of "The Barker" reads like a who's who in Hagerstown during the 1930's. In it were such other widely known men as A. Lesley Gardner, Odello Leiter, Spangler Kieffer, and George Updegraff, together with music by the Hawaiian Brigadiers "of radio fame."

For many years, Harp's love of the drama remained evident. Long before superhighways and airline service speeded travel out of Hagerstown, he somehow managed to crowd into his six-day work week frequent jaunts to New York City to attend Broadway productions.

After he became editor, he always managed to put news about actors and actresses in a prominent spot in the Herald. He also strove to convince a couple of generations of other journalists about the merits of "Ruggles of Red Gap," which for many years was his favorite motion picture.

When he went to work for the Herald, a 40-member company was giving live performances at the Maryland Theater under the direction of Raynor Lehr, under such well-tested titles as "Over the Road to the Poorhouse."

Movie entertainment in Hagerstown when he went to work included "Tracked in the Snow," starring Rin Tin Tin, "Empty Hands," a Jack Holt vehicle, "The Grand Duchess and the Waiter" with Adolph Menjou, and "The Prince of Broadway" with George Walsh.

There wasn't any television drama yet. Local residents were acquiring radio sets but stations which could be heard in Hagerstown offered none of the stars who were to become celebrated airwaves personalities just a few years later. A typical evening's program listings for that week, for instance, includes only one name that anyone is likely to remember today, the famous opera singer, Claudia Muzio, who gave a recital over one station.

Harp took up his new job in the midst of an unusually newsworthy time. Hagerstonians on March 25 were grabbing newspapers to get the gory details of several sensational stories.

The headless body of Charles William Moore, a 42-year-old Washington County farmer who had been missing since Christmas Eve, had just been found on a Potomac River Island. A bootlegger was suspected in the gunshot death of Clarence Koontz, a North Carolina Avenue youth. The remains of four infants had been discovered in an otherwise unoccupied house at Cherry Run.

Amid all these sensations, there wasn't much time for people to talk about the impending trips to Chicago of the Surrey High School basketball squad, which had won the state championship and was raising funds to participate in national competition, or the third term victory of Charles E. Bowman as mayor of Hagerstown. The Democrat had just defeated Lewis J. Orrick.

Hagerstown's city government had an annual budget of only about $400,000 in 1926, incidentally. Some individual city departments spend more than that in a year nowadays.

When Harp took his job with the Hagerstown newspaper, the daily editions weren't quite as large as today in number of pages. There were no advertising tabloids to add to the bulk of the newspaper, no chains of supermarkets to fill up pages with their weekly bargains. In his first week of work, for instance, the Herald had 18 pages on Thursday, 22 pages on Friday, and 14 pages on Saturday.

However, the page size was slightly bigger than today, and type was crowded onto the pages in a more compact manner, leaving a lot of space to be filled up. There were no local photographs, except on the rarest of occasions like a political sensation or a rich bride. So local news coverage was more intense than today, in order to fill up the space left unoccupied by Associated Press news. The tiny staff turned out enormous quantities of stories, big and little.

The local newspaper field had experienced a first shortly before Harp came to work. This was the first time a woman had found work in the advertising field here. That pioneer, Jeanette McClain, is still living in Hagerstown after retiring several years ago from her lifelong career in the Herald-Mail advertising department.

She shares the feeling of others about Harp's qualities as both a journalist and a man.

"One not mellow with age to express sentiments of Joe," according to Miss McClain. "In paying him tribute on his 50th anniversary with the Herald-Mail, I am sure his countless friends and acquaintances are most happy to sing his praises."

Miss McClain remembers:

"I preceded him at the Herald-Mail by a few months (December, 1925), the first female in the advertising department. Yes, Joe is the same 'ole Joe' now as then.

"I believe his initial M. stands for Moody. If not a family name, it is certainly adverse to his personality."

"When Joe was a cub reporter on the Morning Herald, he had a wonderful teacher boss and friend, our C. Neill Baylor, the editor. It didn't take many years before he became a replica of Mr. Baylor as a sincere and devoted newspaperman. When Mr. Baylor was made general manager, Joe followed in his footsteps as editor.

"Whether reporter or editor, Joe is still 'old Joe.' His time is your time, be it news, information or a few jokes."

The retired advertising official remembers a couple of other characteristics of Harp.

"Although pencils and pens were in goodly stock, he preferred short, short stubs of thick, soft pencils. For many years, I saved my discards for him. He disliked new or long pencils. They disappeared. No one swiped the stubs.

His long stride and walking pace is truly a trademark. He can be detected a mile away.

"In the yesteryears when voting machines were unheard of, his pace picked up momentum on election night when the Herald-Mail received and tabulated the returns, a service to the community.

"Over the many, many years, I am proud to have his friendship and that of his lovely wife, Alice."

But another Washington Countian who can remember Harp even before he came to work for the newspaper is Charlotte Forrest. As children, she and he grew up together in neighboring Smithsburg houses.

Today, Miss Forrest is librarian at Smithsburg Senior High School.

"The old Harp home is still standing," she points out. "The Harp family lived on Pennsylvania Avenue in Smithsburg. That's the old Ringgold Road."

Moreover, the house where Harp lived as a boy still looks today just as it did when he was growing up, Miss Forrest says. Joseph Metz lives there today.

Miss Forrest lived as a child in a house on the other side of the road. She and the youthful Joe Harp used to play together much of the time, together with his brothers.

"There were two buckeye trees in my front yard," she recalls. "We used to climb them all the time."

Miss Forrest remembers the youthful Joe Harp as a better than average student who got lots of B's on his report cards. On the other hand, she found him slower than average in responding to his mother's calls, when she tried to get him back in the house while he was playing outdoors.

Harp showed absolutely no evidence of interest in a journalistic career in boyhood, as far as Miss Forrest can remember. But he did have another kind of interest which has been generally forgotten by now.

The Smithsburg librarian has a copy of a 1919 yearbook from the Smithsburg School. It lists Joe Harp as a member of the Boys' Corn Club, even though there was no farm attached to the Harp home. He was in approximately the sixth grade at the time, she believes.

The Boys Corn Club was one of the pioneering 4–H groups in Washington County. Heading it, according to the school publication, was the first county agent ever assigned to this area, Thomas Smith.

All of Smithsburg's children got their education in the same schoolhouse in the years when Miss Forrest and Joe were attending classes. The school which educated everyone from grades one through 12 was at the site of the present middle school, which was later converted solely to high school purposes.

Smithsburg didn't have as many students finish school in the first part of the century as today. Harp was one of only 19 students who stayed in school with his class long enough to graduate in June, 1925.

The list of graduates in that class of 1925 consists almost entirely of family names long associated with Washington County, like Harp, Bushey, Trumpower, Toms, Rowe, Wolfinger, and Henneberger. That last name belonged to Richard Henneberger, whom Miss Forrest remembers as one of Harp's best friends during the school years.

Despite the modest dimensions of the graduating class, there were full-scale festivities the night Harp received his diploma. He heard Dr. Wallman Barbe of West Virginia University tell the graduating class members to build their characters as if they were building a house.

The commencement speaker told Harp and the 18 other graduates to put the best possible materials into this project, so the structure would withstand the stress and strain of the years to come.

Rexford B. Hartle, principal of the school, was another speaker that night. B. J. Grimes, Washington County's superintendent of schools, gave the diplomas to Harp and the other graduates.

Memories from a later part of Harp's career are offered by Gloria Dahlhamer, who went to work as a social page reporter for the Herald about two decades after the beginning of Harp's career. She is now editor of the Herald's family pages. According to Mrs. Dahlhamer.

"The first time I met Joe Harp I was 17, still in high school, and scared. I asked him for a job. It was the greatest job interview I ever had. He asked me if I could spell, and I said yes, and he told me to come to work when I graduated. What a gambler he was!"

By then, the local newspapers had somewhat larger staffs in their news departments. Mrs. Dahlhamer recalls:

"The Herald staff in the summer of 1947 consisted of eight people. It was a great time to learn the newspaper business. Joe told me the only way to learn the job was by doing it and there was ample opportunity for that.

"We had no proof readers in those days, so proof reading was done by anyone who wasn't doing anything else. Despite the fact that he was the editor, Joe read proof with the rest of us.

"I, being the newest member of the staff, usually got stuck with reading the classified and display ads. Joe was a frequent partner in those read-aloud sessions. I can still hear his dulcet tones reading the farm sales while I followed the copy. Joe told me I'd get an education by reading the ads, and I did . . . after he carefully explained to a city kid what a close springer was!"

It wasn't always unbrokenly serious business in the Herald newsroom. The family pages editor remembers:

"Joe also was a great practical joker. Once he gave me a 'hot tip' on the wedding of the year. The couple in question had been keeping company for something like 30 years without ever making it to the altar. How Joe snickered as I squirmed when the lady involved told me in no uncertain terms there had been no 'I do's.'

"Another of his favorite tricks was to leave the telephone number of the SPCA on my desk with a note to call and ask for 'Kitty.'

"But Joe was a good teacher. He drummed it into my head that you don't report by guesswork. 'If you don't know, ask,' he'd say. He was a stickler for getting the facts right, for spelling people's names correctly, and for writing a story so that everybody who read it could understand it. He didn't like 'high-falutin' words. Once I said a kid broke his clavicle, and Joe asked me if I was writing a medical report. 'When it's a collarbone, say collarbone,' he told me.

"I remember when the Herald and Mail editors were given their fancy glassed-in private offices. Joe never liked his much. Said he felt left out.

"That glassed-in Herald office became a broadcast booth for a number of years, when Herald and Mail news staffers gave four daily broadcasts for WJEJ. Joe always did the midnight wrap-up, and that was the one time of the working day when the rest of us tried to put one over on him. We'd stand inside George Rash's office and make faces at him through the glass. But he always kept his cool; he never cracked up till he signed off."

Summing up, Mrs. Dahlhamer puts it this way:

"In all the years I've been on the job, I've rarely seen Joe lose his temper. When I've made mistakes, he has quietly taken me to task. When I've done a good job, he has told me.

"When I came to work on the Herald staff, my parents had some misgivings. But when they learned that Joe played trombone in his Sunday school orchestra, they were satisfied that my boss was a gentleman.

"He is."

It's doubtful if there has been a public official in city or county government during the past half-century who hasn't known Harp in some degree ranging from slight acquaintance to deep friendship. Typical of these nonjournalist acquaintances is H. L. Mills.

Mills served term after term as mayor of Hagerstown during Harp's career as a journalist, in addition to undertaking a multitude of other civic duties and ranking as one of the area's most successful businessmen.

"I have known Joe for more than half a century," the former mayor comments.

"I refer to him affectionately as Joe from our long years of friendship."

According to the former mayor:

"I have admired him for his high ideals, integrity, trustworthiness and loyalty to his friends, city and country.

"As one of our finest newspaper men, I know of no man whom I have had more confidence in than Mr. Harp."

Mills, who is now retired from public office, also speaks of Harp's "long and faithful service in the newspaper field."

Similar sentiments are echoed by other survivors of the newspaper business who were already on the job when Harp went to work.

For instance, Bob Snyder was a linotype operator during the bulk of the half-century. He is now retired, residing near Chambersburg. Asked for reaction to the 50th anniversary occasion, he declares:

"What I remember about Joe Harp most vividly in the early years of his employment by The Morning Herald was his aptitude in learning the skills of writing."

Another linotype operator who has retired is William C. Snyder, who still resides in Hagerstown. After more than four decades as a fellow employe of Harp, he says:

"Everyone liked Joe. I don't know of anyone who didn't like him."

Others who have worked many years with Harp can remember specific aspects of his career and personality.

For instance, there were the times when he was paid the ultimate tribute that can be given to any reporter. That happened every time a group of officials delayed the start of a meeting until he arrived to cover it.

During the earlier part of his working career, there were times when Harp didn't own an auto. This wasn't an eccentricity. Only after World War II did most Hagerstown newspaper writers begin to acquire cars of their own.

But Harp always managed to get to the places where he needed to be. Many news sources were concentrated in his reporting years within easy walking of the newspaper office. His good relations with law enforcement authorities caused him to be notified whenever there was a serious accident or other spot news story outside walking distance. If it justified his presence, police usually gave him a ride to the scene while the news was still fresh.

Sometimes he found unforgettable sights at the destination. Harp talked for years about how he arrived in time to find fragments of bodies scattered here and there when he was among the early arrivals at the site of a train-motor vehicle crash several miles outside Hagerstown.

Another big news story that stuck in his memory was the Raleigh Poffenberger murder case. Poffenberger was a farmer and a former county commissioner. His slaying, the search for the culprits, their eventual capture, trial and conviction seemed to impress him more than any of the other murder stories he covered down through the years.

The small staff that existed in the news department during most of Harp's career created various problems. Even though his basic job as a reporter was to cover police and city government, he found himself doing almost every type of news story at one time or another.

You could see his byline on an occasional Hagerstown High School football game story in the Herald on Monday mornings many autumns ago. Colley was the full-time sports editor of the Herald, and normally did all the local sports coverage.

But Colley picked up some extra cash by moonlighting as an official at various scholastic contests in those years. He could remember enough details of unimportant matches to write a story after refereeing or umpiring, but for something as important as a high school football game, he sometimes got Harp to handle the story.

Harp occasionally made news on the sports pages, too. He sometimes participated in the annual baseball game between the Newsies and Police. This was an event staged each summer for fun, in theory. Sometimes it produced genuine rivalries between journalists and law enforcement authorities who took it seriously.

One persistent legend involves the long drawn-out game which Harp put a merciful end to. There are several versions of how it happened, most of which indicate that he managed to let a fly ball escape him in right field at Municipal Stadium. At that time, the right field foul line ran halfway to Funkstown, before the ball park was remodeled.

This athletic ability sometimes came in handy for job purposes for Harp. The Herald-Mail building was always locked up tight from Saturday afternoon through early Sunday afternoon, because there were no Sunday newspapers produced locally. Baylor, the Herald's editor, opened up the building early each Sunday afternoon, just before the Herald staff started to come to work.

But once in a while, Baylor went out of town for the weekend and didn't get back in time to unlock the door on schedule. This created problems. The morning newspaper stories began coming over the Associated Press teletype in mid-afternoon, making it important to get that machine turned on at the right time. Moreover, each linotype had a little furnace which heated the metal from which the slugs were cast by the operator. Unless these heating units were turned on during the afternoon, the metal wouldn't be hot enough for the linotypes to function when the operators arrived in the early evening.

Harp, the first to arrive on those occasions, simply shinnied up the rear of the building and crawled in through a second story window which in those years before remodeling gave access in emergencies in the news department.

Harp created various types of legends around the newspaper office. During one period, he was celebrated for his habit of burning incense from time to time. Some reporters feigned annoyance but others welcomed the temporary change from the tobacco smoke aroma that filled the news room most of the time.

His love of boats and the water also became legendary. Everyone who worked with him was quickly convinced that the wrong Harp had become an admiral. He had a brother who was chief of chaplains in the United States Navy. Eventually, Joe Harp acquired a boat of his own and went gliding all over the East Coast's waterways on weekends and during vacations.

He has also been that rarest of the journalistic breed, one who is willing to admit his mistakes.

For months, he talked with relish about the excitement he caused one early morning in the composing room. This was in the era before the local newspaper employes had begun to enjoy the luxury of using printed forms for their "dummies." A dummy is a sheet on which editors mark the spot where each story is supposed to be placed by the makeup man.

In those days, editors simply drew with pencil a rough set of columns and scrawled in the headlines with their soft pencil. Every page consisted of eight columns, each of them two inches wide. On one busy night, Harp absentmindedly drew up a dummy for a seven-column front page. The mistake wasn't discovered until the front page's type was well on the way to filling up the form except for that missing column.

In fact, when Harp went to work for the Herald, some of the makeup work was done by the writers and editors. When things got busy in the composing room, shortly before press time, the whole staff moved down to it. Half of the news room workers read proof as fast as it came off the proof press and the remainder helped the makeup men by putting type into the forms. Dansberger remembers that Harp was never as active in this particular phase of the writer's job as Baylor and Hager.

Sometimes things grew even more hectic. One of Harp's big nights came early in his career when a wild blizzard accompanied by a fierce gale cut Hagerstown off from the remainder of the nation. All roads were blocked, telephone and telegraph wires were snapped, and it took real ingenuity to put out a normal edition of the Herald with no AP news available. Harp helped with the emergency measures which consisted of a local radio amateur transmitting the city's plight to the outside world, and KDKA, a Pittsburgh radio station, reading over the air an assortment of national and international news for Herald staff members to copy and run in the local paper.

Harp was a believer all along in the importance of keeping news stories down to a reasonable size. While he was a reporter, his stories always conveyed essential facts without the repetitious trimmings that some journalists applied to attempt to make the story appear bigger than it should be.

When he became editor, he applied the same philosophy of fat-trimming to the AP news published in the Herald. Stories which had once sprawled over much of the first page and continued inside were cut down to more readable dimensions.

Harp rose from his starting role of cub reporter to that of city editor and assistant editor on the Herald, during Baylor's long tenure as editor. Late in the 1940's, Baylor was named general manager of the Herald-Mail Company.

Harp succeeded him as editor of the Herald, holding that title for more than two decades. Around the start of 1973, he was named executive editor of both the Herald and Mail.

But even after he took on his new front office post, Harp contained to keep his hand in at actual editing, by handling the Herald's editorial page for a year or two longer. He also continued to function in one highly specialized task left over from his days as a reporter, chronicling divorce suits as they were filed in circuit court.

Amid all the tributes and recollections which have been created by his 50th anniversary on the job, one fact seems to have escaped everyone. It's quite possible that nobody will ever equal in the future Harp's record for actual time spent on the job as a newspaper journalist in Hagerstown.

It's doubtful if many local journalists will achieve a 50th anniversary in the future, because most of them don't begin full-time employment until they're college graduates and normal retirement comes a little more than 40 years later. It would require at least 60 years on the job, under today's working schedules, for a future journalist to give as much of his time to Hagerstown newspapers as Harp has accomplished in five decades.

THE CALIFORNIA GOVERNOR'S LIST OF OUTSTANDING LAW ENFORCEMENT OFFICERS

Mr. TUNNEY. Mr. President, it is with great pleasure that I bring to the attention of my colleagues in the Senate 20 outstanding law enforcement officers in California. Out of more than 7,000 participants competing annually under the auspices of the California Combat Association, these 20 men have proven the best in the field of pistol marksmanship.

The competitors come from all types of law enforcement agencies throughout California, and the winners are certainly to be congratulated for their excellence in their profession. The winners selected for the Governor's list include, in order:

Sgt. James Christman, San Francisco Police Department.

Officer Wayne Johnson, California Highway Patrol.

Bill Davis, California Highway Patrol/Sacramento County Sheriff Reserve.

Sgt. John Davison, Monterey County Sheriff Department.

Deputy Paul Keene, Monterey County Sheriff Department.

Officer George Deaderick, Mt. View Police Department.

Officer Robert Dawson, Huntington Beach Police Department.

Officer Robert Landreth, California Highway Patrol.

Officer Jeri Kelch, Los Angeles Police Department.

Jack Forcier, Santa Cruz County Sheriff Reserve.

Agent Michael Fitzpatrick, U.S. Treasury, Bureau of AFT.

Officer Wayne Spencer, California State Police.

Deputy Tim Cantrell, San Bernardino County Sheriff Department.

Chief of Police James Zurcher, Palo Alto Police Department.

Officer Jim Cost, Palo Alto Police Department.

Officer James Gong, Sunnyvale Department of Public Safety.

Richard Mickel, Palo Alto Police Department Reserve.

Officer John Pride, Los Angeles Police Department.

Officer Ed Taylor, Bell Garden Police Department.

Officer Roger McLean, Los Gatos Police Department.

In addition to individual competition, 10 top teams in pistol marksmanship were chosen. Those teams honored in 1975 include:

California Highway Patrol Blue Team.

Sacramento County Sheriff Department Gold Team.

Palo Alto Police Department.

Mt. View Police Department.

Stockton Police Department.

San Jose Police Department.

Los Angeles County Sheriff Department.

Riverside County Sheriff Department.

Los Angeles Police Department.

California State Police (Capitol Team).

Again, I commend these men and teams for their excellence in one of the many aspects of law enforcement work, and hope that they will continue to shine in this and all other aspects of their day-to-day conduct.

RESEARCH AND TRAINING NEEDS IN GERONTOLOGY

Mr. CHILES. Mr. President, nearly 31 million Americans are aged 60 or older.

Solutions for many of their problems are apparent, but often-times elusive. For the more elusive questions, answers must be sought through applied research and demonstrations.

However, the low priority assigned to these programs continues to be a major problem.

The administration, for example, recently recommended that funding for the title IV research program under the Older Americans Act be reduced for this year.

In addition, the administration is urging that the training program be phased out completely by 1977.

Yet, a critical shortage of adequately trained personnel now constitutes one of the most pressing problems in the entire field of aging.

Continued funding, however, is essential to meet today's mounting demands, as well as tomorrow's needs.

The number of older Americans is increasing rapidly and will continue to accelerate in the years ahead. Among the elderly, the 70-plus age category constitutes the fastest growing age group. These individuals have, of course, the greatest needs for services.

Most older Americans—even those suffering from severe chronic conditions—would prefer to remain in their homes, rather than being institutionalized.

And many can if appropriate in-home services are available. This makes sense not only from a humanitarian standpoint but also economically.

Numerous elderly persons are now forced into nursing homes or hospitals, simply because other alternatives are not available. Yet, institutionalization is the most expensive form of care. Moreover, it may be totally inappropriate for the elderly's needs.

But if a meaningful strategy on alternatives to institutionalization is to be developed, it is essential that there be adequately trained personnel to provide the services the elderly need.

In the past, funding for research, demonstration projects, and training has proved to be a prudent investment. Research and demonstrations have helped to assure that a greater proportion of retirees will be healthy, independent adults.

A comprehensive training program is necessary to deliver vital services for the elderly.

The Labor-HEW Appropriations Subcommittee—on which I serve—will soon act on the supplemental appropriations bill to provide funding for the Older Americans Act and other Federal programs.

We have already heard much impressive testimony. One excellent example is a statement by Leonard Gottesman, secretary for the Gerontological Society and a director of the Training and Policy Center at the Philadelphia Geriatric Center.

He provides much compelling testimony about the value and worth of research and training to enable older Americans to continue to live independently in their own homes.

His statement, it seems to me, merits the attention of the Senate. For this reason, I ask unanimous consent that it be printed in the RECORD.

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

TESTIMONY OF LEONARD E. GOTTESMAN, PH. D.

Senator Magnuson and distinguished members of the Senate Labor-HEW Subcommittee on Appropriations, my name is Leonard E. Gottesman, and I am here today representing the Gerontological Society, a society of 4200 persons engaged in research, training and direct services to older people. I am Secretary of the Society. The Gerontological Society is multi-disciplinary and is the largest scientific membership organization in the world for persons in the field of aging. I am a psychologist and Director of the Training and Policy Center at the Philadelphia Geriatric Center, an internationally known center for treatment, research and training related to the care of older people. I have been working on behalf of older people for 15 years.

My mission today is to lay before you the recommendations of the Gerontological Society regarding federal appropriations for research and for training on behalf of the elderly (see recommendations summary). I would like to relate these recommendations to specific programs for older people.

Three agencies, the Administration on Aging, the National Institute of Mental Health and the National Institute on Aging fund most federally supported research and training programs in gerontology. The Administration on Aging is closely identified with social programs directly benefiting the aged. The National Institute of Mental Health has led development of programs addressing such serious problems as senility and mental frailty and the National Institute on Aging, a new agency created by congress last year, but only now getting underway, will spearhead research and training regarding health problems affecting the aged.

Unfortunately, as currently proposed by the administration, all three of these valuable programs will be seriously underfunded. Services, research and training will be severely limited and as a result older people will suffer. For the Administration on Aging in fiscal 1977 the administration has recommended 192 million dollars; a cut back of $52 million over fiscal 1976. This means that more than one out of every five dollars spent in 1976 will not be available in 1977. The $264.2 million requested for the National Institute of Mental Health in 1977 is $86 million below that agency's 1976 continuation. This means that one in every four of the dollars to be spent in 1976 will not be available in 1977. The administration has recommended an increase for FY 77 for the National Institute on Aging but this increase only minimally replaces the losses in other areas. I would like to give you examples of what these cuts will mean in the lives of older people.

Under the Older Americans Act, innovative programs and increased skills for practitioners are encouraged in the model project section of Title III. In the years from 1975 to 1977, Title III model projects have been reduced from $8 million to nothing at all as proposed for 1977. This means that the congressionally mandated nursing home ombudsman program, the legal services program, the adult day care program and a range of important new service programs touching older people in every state of the union will be phased out. The Gerontological Society recommends that $8 million be appropriated to these projects again for 1977.

Also under the Older Americans Act, Title IV authorities training (IVa), research (IVb) and multidisciplinary centers (IVc). The appropriations for training have also been eliminated. Eight million dollars in FY 75 and 76 is matched with no request for funding for FY 77. This means an end to the in-service training programs for staff of 486 Area Agencies on Aging which are just now acquiring the skill necessary for providing high quality service to older people. You should recall that the number and the proportion of older people in this country continues to grow. Among the aged, the fastest growing group are those 70 and over—a group where the need for services is the greatest. These agencies which serve them have new, eager and devoted staff, but they will need more personnel as well as help for those already hired to become maximally competent in their jobs. This cut in funds also means an end to university based programs which are developing the needed leadership capable of developing services to the elderly. The field of gerontology is still growing and many more trained people are needed. The Gerontological Society recommends that for inservice and university programs together, $15 million be appropriated.

The administration has recommended that research be supported at a level considerably lower than that of 1975 and 1976. Their request is for $5.8 million which represents a cutback of $1.2 million. Here, one out of every six dollars to be spent in 1976 will not be available for FY 77. It is the research under this Title that will lead to improvements in services to older people and ought

not to be cut back. Programs studying (1) the impact of social, economic and environmental changes on the aged, (2) service delivery systems which are both cost and service efficient, (3) the social process of aging, and (4) the demography of aging would be cut back or curtailed. Research under this Title and model projects are the primary source of innovation in such essential areas of new services as the development of community based forms of care. The successful base of a nationwide network of programs for the elderly came about as a result of research under those Titles. As another example, at the Philadelphia Geriatric Center, we are now studying ways of improving the provision of in-home services from an institutional base to disabled, dependent old people who live in their own homes (see enclosure one). Without adequate funding programs like these will no longer be supported. The Gerontological Society recommends that $10 million be authorized for these important programs.

The Congress itself in the 1975 amendments to the Older Americans Act created the concept of multidisciplinary centers for gerontology to consolidate efforts of many specialists to solve the varied and interrelated problems confronting the elderly. A small number of such centers have come into being slowly and with great difficulty because there was no funding explicitly earmarked for such a purpose.

Many more such centers like the ones at Duke University and University of Southern California are needed but such programs are unstable because they rely on the aggregation of funds from many sources. It would be more cost efficient if such programs were funded as a creative core from which integrated projects could emerge. For three years now the administration has failed to seek funds for these centers. The Gerontological Society urges that $8 million be appropriated to support these multi-disciplinary centers as Congress intended.

The National Institute of Mental Health, Center on Aging was created last year out of recognition of the fact that problems such as chronic brain syndrome and senile dementia deserve extensive study and that persons with such mental disorders need services which are responsive to their special needs. This year, NIMH is funding a range of programs including a program which is studying services needed by mentally frail elderly persons in welfare hotels, studies of the effects of oxygen treatment on senility, and a program at our Center evaluating housing for semi-independent vulnerable old people who live near to but not in the institution (see enclosures two, three and four). These and other programs which focus primarily on the eldery account for $4.2 million or 5% of the NIMH budget. We urge, as did the 1971 White House Conference on Aging, that $5 million is the minimum amount of funding necessary to stimulate programs of service and research in Mental Health.

Last year the National Institute on Aging was created by focusing the intra-mural and extra-mural programs on aging of the National Institutes of Health into a single new agency. The agency is responsible for basic research and for training of scientists and teachers who will help understand the process of human aging and to move toward a cure of the illnesses which now account for much of the misery of aging as well as for the stupendous federal expenditures for health services in hospitals, nursing homes and in-home services. The administration has asked for an increase from $17.5 million to $26.2 million but has allocated none of this amount for training activities. Most of the amounts requested by the Administration will in fact go to support ongoing programs only and would allow for little growth in research intended by the creation of the Institute. The Gerontological Society urges that you appropriate $30.1 million to the Institute in order to get expanded research and training underway.

Another problem at the National Institute on Aging has also just come to my attention and needs your action. Because of limits on hiring the 173-person staff at NIA is now below the 193-person level authorized for last year. Your explicit legislative authorization is needed to allow hiring the 43 additional persons so that mandated intra-mural studies of minorities and of women and social and behavioral studies can be initiated and so that the extra-mural program can be implemented expeditiously.

In 1968 Dr. Ethel Shanas, a past president of the Gerontological Society was forced to write that we could not compare the American service system with that in other countries because there were almost no American services for the elderly. I am happy to report from my vantage that we have made significant progress. We now have the beginning of a service system in place, and it is beginning to work. The modest appropriations we recommend are essential to its functioning and development. These funds are also essential to evaluate the emerging system so as to inform policy decisions necessary to provide an adequate program of support for 21.3 million older Americans.

Federal agency	1976: Appropriated (a) or continued (c)	1976: President's supplemental budget request for 1976	1976: Support recommended by the Gerontological Society	1976: Total recommended by the Gerontological Society	1977: Requested by the administration	1977: Recommended by the Gerontological Society
	(1)	(2)	(3)	(4)	(5)	(6)
NIA (National Institute on Aging)	[1] $17,526 (a)	0	$1,762	$19,288	$26,220	[2] $30,100
AoA (Administration on Aging):						
Title III:						
State administration	$15,000 (c)	[4] 16,200	16,200	16,200	16,200	16,200
State and community services	76,000 (c)	76,000	76,000	76,000	82,000	82,000
Model projects	[5] 5,000 (c)	5,000	[5] 8,000	[5] 8,000	0	8,000
Title IV:						
Pt. A (Training)	8,000 (c)	0	8,000	8,000	0	15,000
Pt. B (R. & D.)	7,000 (c)	[4] 5,800	7,000	7,000	5,800	10,000
Pt. C (Multidisciplinary centers)	0	0	0	0	0	8,000
NIMH (National Institute of Mental Health): Center on Aging	0	0	0	0	0	[6] 5,000

[1] Without training.
[2] For raining.
[3] The Gerontological Society recommends the authorization of 215 staff positions for the NIA in fiscal year 1977.
[4] The administration proposes reducing the research budget by $1,200,000 and increasing the support of State administrations by that same sum. The Gerontological Society supports the mandated incr[illegible] to State administrations but also firmly supports a continuing level of $7,000,000 for research in the AoA budget.
[5] Actual appropriations in fiscal year 1975 were $8,000, including a $3,000 Congressional supplement. Thus our request of $8,000 for 1976 and 1977 represents no increase over amounts expended in 1975.
[6] Little or no funds are currently available for programs, research and education in mental health and aging. The amount suggested above is in keeping with the general agreement at the White House Conference on Aging as the minimal amount necessary.

GERONTOLOGICAL SOCIETY PUBLIC INFORMATION COMMITTEE RECOMMENDATIONS ON FEDERAL FUNDING OF RESEARCH AND TRAINING IN GERONTOLOGY

The number of older persons in the United States continues to grow in both real numbers and percentages of the total population. The Gerontological Society is seriously concerned that there be an adequate cadre of professionals trained to meet the needs of the elderly, as well as production of information critical to planning for an improved quality of life. Training and research in aging must be conducted in a wide variety of professional disciplines ranging from medicine, nursing, and biology to social work, architecture and urban planning. Congress has shown considerable support for gerontology as witnessed by the creation of the new National Institute on Aging. It is now critical to provide both the NIA and Older Americans Act programs with adequate support. Accordingly, the Gerontological Society urges the following sums be appropriated.

Regarding supplemental appropriations for FY 1976:

National Institute on Aging (NIA)

Congress appropriated $17,526,000 for FY 1976, but failed to include provision for training. The Society recommends a supplemental appropriation of $1,762,000 so that the Institute may begin its training activities.

Administration on Aging (AoA)

The Administration proposes reducing the Title IV research budget by $1,200,000 and increasing the support of State Administrations by the same amount. We urge that research moneys not be robbed in order to provide adequate funding for State Administration. The Society supports the increment to State Administration but also firmly supports a continuing level of $7,000,000 for Research.

There are rumors that the Administration may fail to request any FY 1976 supplemental appropriations for AoA, or may actually propose recisions in the NIA FY 1976 appropriation. The Gerontological Society urges supplemental appropriations for AoA, as currently envisaged, and opposes any recision of NIA funding.

The President's Supplemental Budget Request for FY 1976 for Model Projects is $5,000,000. This figure is $3,000,000 lower than the amount available in FY 1975, which had included a $3,000,000 Congressional supplement. The Gerontological Society recommends that the 1975 level of $8,000,000 be maintained.

Regarding FY 1977 appropriations:

National Institute on Aging (NIA)

The Administration has requested only $26,220,000 for FY 1977. The Society urges that, given inflation, the need for developing regional centers and a more adequate support level, this figure should be $30,100,000. The scientific community in gerontology has pointed out that there are several avenues of research which may produce significant

results in the area of health. This budget reflects some of the additional but modest sums required.

Administration on Aging (AoA)

The Administration proposes to cut all Title IV training funds. The Society believes that continued and increased support of training is essential if programs for the aging are to be staffed by those with adequate knowledge and skill, and urges an appropriation level of $15,000,000.

The Administration proposes to cut back the current continuation level of $7,000,000 for Title IV research to only $5,800,000 for 1977 as well as 1976. We urge appropriation of $10,000 to support the programmatically relevant research carried out under this title.

Despite the fact that multi-disciplinary centers are part of Title IV of the Older Americans Act, the Administration has failed to request any funds since the inception of this section of the Act, and Congress in turn has not provided any appropriations. The Society urges that $8,000,000 be appropriated to carry out the intent of the legislation.

For the first time in AoA history, the Administration has requested no funds for Title III model projects. Yet Congress has just assigned (in the 1975 amendments to the OAA) three major priorities for model projects: nursing home ombudsmen, legal services and day care. The Society advocates appropriation of $5,000,000 (no increase over FY 1976) so that model projects in these direct service areas may be carried out.

National Institute of Mental Health (NIMH)

The NIMH Center on Aging has thus far received no special appropriation of its own, having to rely on funds provided by other units of NIMH. This Center is concerned with critical mental health issues such as chronic brain syndrome and senile dementia—the "senility" issues so important to the public. The Society urges an appropriation of $5,000,000 for 1977. This sum is the amount agreed upon at the 1971 White House Conference as the minimum necessary to stimulate programs of service and research.

A GOOD CASE FOR FEDERAL GRAIN INSPECTION

Mr. McGOVERN. Mr. President, currently within the Committee on Agriculture and Forestry, Federal grain inspection legislation is being considered. Prospective bills have been taken up by appropriate subcommittees and the full committee is awaiting markup sessions. The largest daily newspaper in South Dakota, the Sioux Falls Argus Leader, in a March 29, 1976, editorial entitled "Pass Senate Grain Inspection Bill," makes a compelling case for the Federal inspection bill introduced by Senators HUMPHREY, CLARK, TALMADGE, and myself.

The Argus Leader is sensitive about America's credibility as a nation and has long advocated an inspection system that guarantees the integrity of the grain produced by South Dakota and the Nation's farmers.

Mr. President, I ask unanimous consent that the text of the editorial I have referred to be printed in the RECORD.

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

PASS SENATE GRAIN INSPECTION BILL

Three South Dakota, Iowa and Minnesota United States senators are among the cosponsors of the new, tough Senate bill designed to reform grain inspection in this country.

The chief author of the measure is U.S. Sen. Dick Clark, D-Iowa. His bill is co-sponsored by senators George McGovern, D-S.D., Hubert H. Humphrey, D-Minn., and Herman Talmadge, D-Ga.

Humphrey's agriculture subcommittee approved the bill last week. It will go before the full Senate Agriculture Committee April 7, where a hard fight is expected on the measure.

The bill would federalize inspection at all export elevators and federal agents would also handle inspection duties at 25 major inland grain terminals in 10 states. The bill is designed to combat the scandals uncovered in handling of grain for export. Investigations thus far have resulted in indictments against 62 individuals and firms, on criminal charges which include misweighing, misgrading, grain theft, conspiracy, bribery and income tax evasion.

A much milder bill has been approved by the House Agriculture Committee.

The Ford administration opposed the provision in the Senate bill which would set up all federal inspection at ports and inland terminals, and also the language in the measure which would set up a new, semi-independent federal grain inspection agency within the U.S. Department of Agriculture.

The grain trade, private agencies which handle inspections now and state departments of agriculture oppose federalization. They all want to keep their roles in the present inspection system.

Congress should enact a measure that will remove a blight on American agriculture: the situation in which foreign buyers of United States grain have been cheated on weights, quality, etc. The buyers in Europe or Asia now can't be sure they'll get what they order from United States firms.

We believe that the federalization approach taken by Clark, McGovern, Humphrey and Talmadge is on the mark. Congress should pass the Senate measure—and the Ford administration should lend its assistance to the effort.

United States grain exports amount to $12 billion a year—the largest source of income from overseas. Serving that market well is essential to the future of South Dakota and other farmers in the nation. The United States' credibility as a nation which will not tolerate cheating in export shipments is also at stake.

DEPARTMENT OF DEFENSE ANNUAL REPORT ON INDEPENDENT RESEARCH AND DEVELOPMENT

Mr. McINTYRE. Mr. President, section 203, paragraph (c) of Public Law 91-441 requires the Department of Defense to submit an annual report to the Congress on independent research and development, I.R. & D., and bid and proposal, B. & P., costs. The report for 1975 has been received and I ask unanimous consent to have the report and a copy of the letter of transmittal dated March 12, 1976, printed in the RECORD at the conclusion of my remarks. For the purpose of my statement, I.R. & D. and B. & P. will be referred to as I.R. & D.

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

(See exhibit 1.)

Mr. McINTYRE. Mr. President, this is the sixth year of reporting, and it covers the fifth full year of implementation since section 203 was enacted in response to a letter dated October 8, 1973, signed jointly by myself as chairman, Subcommittee on Research and Development of the Armed Services Committee, and my distinguished colleague, the senior Senator from Wisconsin, in his capacity as chairman, Subcommittee on Priorities and Economy in Government, Joint Economic Committee, the General Accounting Office made indepth investigation of the underlying assumptions and the overall justification of the I.R. & D. programs. The GAO report was issued in two parts: a partial report was issued in August 1974 and the remainder was issued on June 5, 1975.

Joint hearings open to the public were held in September 1975 to review the findings in the GAO report and to determine what legislative actions, if any, were needed. In addition to the Comptroller General, representatives of the Department of Defense, the National Aeronautics and Space Administration, the Energy Research and Development Administration, and the Office of Federal Procurement Policy testified, along with representatives of industry associations and other expert witnesses. The full text of the hearings has been published and is available to the public.

Mr. President, I would like to summarize the financial data reported by the Department of Defense and to comment on its significance. As estimated a year ago, gross DOD payments to major contractors for I.R. & D. were expected to be $808 million for calendar year 1974 compared to $801 million in 1973. The actual amount of DOD payments to major contractors for I.R. & D. in 1974 was $823 million, $15 million more than was estimated. There were, however, 8 additional contractors and 22 more contractors' divisions with $9.2 million in I.R. & D. included in the DOD data than had been reported in the previous estimate. On a comparable basis, therefore, the actual amount of DOD payments to major contractors for I.R. & D. in 1974 was $5.8 million more than was estimated last year. This is less than a 1-percent increase.

Similarly, the amount of DOD payments to major contractors for I.R. & D. in 1975 is estimated as $877 million. This is $54 million more than the 1974 figure, which is approximately a 6.2-percent increase. Considering the inflation that has plagued the Nation, it would seem that the total cost of I.R. & D. has remained quite constant.

Mr. President, these amounts do not represent actual costs to the Department of Defense because amounts recovered from foreign sales are included. For example, the amounts reported for 1974 and 1975 of $823 million and $877 million include $46 million and $66 million, respectively, which were paid from foreign sales. Thus, the cost out-of-pocket costs for I.R. & D. absorbed by DOD in 1974 and 1975 were $777 million and $811 million respectively. This means that the Government is expected to pay $34 million more for I.R. & D. in 1975 than the previous year, a 4.2-percent increase which is less than the rate of inflation.

I.R. & D. also can be considered as a percentage of sales to the Department of Defense by the 98 major contractors

involved. In 1974 sales totaled $22.120 billion compared to $24.461 billion in 1975. The I.R. & D. percentage of sales declined from 3.72 percent in 1974 to 3.57 percent in 1975. Thus, I.R. & D. payments on a comparable basis actually dropped despite a substantial increase in gross sales.

I would like to conclude, Mr. President, by pointing out, as I have done in previous years, that there is no doubt that the total amount spent for I.R. & D. by the Department of Defense is very large, about $800 million. But much of this expenditure leads to the advancement of technology on a broad front. This is not only essential to the security of this Nation but also is crucial to our economic strength and the well being of our people. Many of our advancements have led to better consumer products.

Mr. President, my good friend, Senator PROXMIRE and I have looked thoroughly into the Government-wide implications of the I.R. & D. program during the hearings of last September. We expect to report our findings and make necessary recommendations following receipt and consideration of the contents of a letter from the Secretary of Defense in response to an extensive series of questions that we asked in our joint letter dated December 31, 1975. The reply has just been signed and is expected momentarily.

EXHIBIT 1

ASSISTANT SECRETARY OF DEFENSE,
Washington, D.C., March 12, 1976.

Hon. NELSON D. ROCKEFELLER,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: The Secretary of Defense has requested that I prepare and submit to you the report of Independent Research and Development and Bid and Proposal costs required under Section 203, paragraph (c) of the 1971 Department of Defense Appropriation Authorization Act (PL 91-441). This Section requires the submittal of an annual report to the Congress on or before March 15th each year setting forth—

"(1) those companies with which negotiations were held pursuant to subsection (a) (1) of this Section prior to or during the preceding fiscal year of the Federal Government, together with the results of those negotiations:

(2) the latest available Defense Contract Audit Agency statistics, estimated to the extent necessary, on the independent research and development or bid and proposal payments made to major defense contractors, whether or not covered by subsection (a) (1) of this section during the preceding calendar year; and

(3) the manner of his compliance with the provisions of this Section, and any major policy changes proposed to be made by the Department of Defense in the administration of its contractors' independent research and development and bid and proposal programs."

The report is in three parts corresponding to the three items quoted above. Part I and II were compiled from detailed data pertaining to individual companies. This detailed company information is very sensitive and is not included in the report, however, it will be made available for review.

Sincerely,

FRANK A. SHRONTZ,
Assistant Secretary of Defense (Installations and Logistics).

Enclosures.

REPORT TO THE CONGRESS ON INDEPENDENT RESEARCH AND DEVELOPMENT COSTS AND BID AND PROPOSAL COSTS

(This report covers the fiscal year ended June 30, 1975.)

PART I

Companies with which negotiations were held pursuant to Section 203 prior to or during the preceding fiscal year of the Federal Government and the results of those negotiations.

In accordance with the above requirement the attached Schedule A provides data pertaining to the negotiations conducted in the Government's fiscal year 1975.

SCHEDULE A.—I.R. & D./B. & P. REPORT—PT. I

NEGOTIATIONS COMPLETED IN FISCAL YEAR 1975 AND RESULTS OF THOSE NEGOTIATIONS

[Dollar amounts in thousands]

Contractors' fiscal year	Number of companies	Total program dollars proposed by contractors			Total advance agreement ceiling dollars negotiated by DOD			Estimated DOD share of ceiling dollars negotiated		
		I.R. & D.	B. & P.	Total	I.R. & D.	B. & P.	Total	I.R. & D.	B. & P.	Total
1974	8	$16,647	$21,120	$37,767	$15,441	$18,663	$34,104	$9,070	$12,239	$21,309
1975	54	629,026	926,996	1,556,022	797,726	447,465	1,245,191	366,939	307,539	674,478
1976	21	624,154	294,206	918,360	449,501	249,770	699,271	161,919	163,448	325,367
1977	6	327,806	107,672	435,478	232,097	87,260	319,357	54,890	54,406	109,296

PART II

Latest available Defense Contract Audit Agency statistics, estimated to the extent necessary, on the Independent Research and Development (IR&D) or Bid and Proposal (B&P) payments made to major defense contractors, whether or not covered by Subsection (a) (1) of this Section [203, PL 91-441] during the preceding calendar years.

The statistics required are provided in the attached DCAA report. The report shows total IR&D and total B&P costs incurred by the contractors reviewed, the amount accepted or recognized by the Department of Defense and the DoD share. In addition, total sales of the contractors are shown along with the portion representing DoD sales.

The amount listed on Page 1 under the column heading "Amount Accepted by Government" represents the sum of the ceilings negotiated with individual contractors as well as the sum of amounts recognized for other contractors who had no advance agreements. These accepted amounts are not the costs reimbursed by the DoD but are the amounts that the DoD recognizes for allocation to all the contractors' business. The DoD portion is shown under the column headed "DoD share."

On pages 2 and 3 of the report the totals shown on page 1 are broken down to show, respectively, the portions applicable to contractors for which advance agreements were required, and the portion applicable to contractors for which advance agreements were not required. The foreword appearing in the DCAA report explains the basis for the cost data reported, but we would like to call particular attention to note A on page 1 regarding foreign military sales. These sales and IR&D/B&P costs should be subtracted from the amounts shown in the report to determine the amounts applicable to the Department of Defense. This adjustment is as follows (all figures are in millions):

	1974	1975
Sales to DOD per report	$22,120.0	$24,461
Less foreign military sales	1,447.9	2,084
Net sales to the DOD	20,662.1	22,377
DOD share of I.R. & D./B. & P. per report	823.0	877
Less amounts absorbed by sales to foreign governments	45.9	66
Net costs charged to DOD	777.1	811

It will be noted that data for both 1974 and 1975 are furnished. It has been the practice to update data previously furnished because latest year figures include significant amounts of estimated information. The 1974 figures presented here have had most of the estimated data replaced with actual data. The report furnished next year will similarly update the 1975 data furnished herewith.

At the request of the Senate and House Appropriations Committees, the Department of Defense provided in a letter to the Committees on 12 February 1976 an estimate of the amount of IR&D/B&P costs of major defense contractors that would be recovered in 1976 in defense contracts held by these contractors. Those estimates were based on actual 1974 costs and estimated 1975 costs. As of this report, actual costs for 1975 are available and this permits revised estimates for 1976. The revised estimates of the amount of IR&D/B&P recovery in DoD contracts for 1976 are $505 million for IR&D and $393 million for B&P. These estimates are substantially lower than the 12 February estimates because while the actuals of 1975 were quite close to our estimates, the actuals included substantial amounts of recovery in DoD contracts representing foreign military sales reimbursed by foreign governments. Adjustment for this in the 1976 estimates was made since it is believed that the FMS situation will continue in 1976.

SUMMARY OF INDEPENDENT RESEARCH AND DEVELOPMENT AND BID AND PROPOSAL COSTS INCURRED BY MAJOR DEFENSE CONTRACTORS IN THE YEARS 1974 AND 1975

FOREWORD

This summary report presents the latest available Defense Contract Audit Agency (DCAA) statistics on the independent research and development (IR&D) and bid and proposal (B&P) payments to defense contractors. The statistical data are to be included in the Secretary of Defense's annual report to the Congress on or before 15 March 1976, in accordance with paragraph (c), Section 203, Public Law 91-441. The data in this summary report are similar to that previously furnished to the Office of the Assistant Secretary of Defense (Installations and Logistics) (OASD (I&L)), for contractor fiscal years 1973 and 1974.

Page 1 shows the overall IR&D and B&P costs incurred by 98 defense contractors during their fiscal years 1974 and 1975, amounts

accepted by the Government, and the Department of Defense (DoD) share of amounts accepted. The amounts accepted by the Government are allowable and allocable to all contractor work performed—Government and commercial. The DoD share of the costs accepted each year is the contractors' allocation of such costs to DoD work. In addition, this summary shows related sales achieved by the 98 contractors, comprising 258 reporting divisions and/or operating groups.

As in past reports, the defense contractors in this summary are those which had an annual auditable volume of costs incurred of $15 million of required 4,000 or more man-hours of DCAA's direct audit work a year. In addition, the summary includes other contractors which, although not meeting the above criteria, negotiated IR&D and B&P advance agreements so that the summary on page 2 will be compatible with the advance agreement reports prepared by Army, Navy, Air Force, and the Defense Supply Agency. Contractors specifically excluded from this summary are construction companies; educational institutions; foreign contractors and overseas operations of U.S. contractors; insurance companies; marine transport contractors; and military medicare contractors. These contracting activities incurred nominal or no IR&D and B&P costs.

DCAA obtained the IR&D and B&P cost and sales data from contractors' records, but such data do not necessarily represent audited amounts. Included in the costs shown are amounts accepted by the Government in overhead negotiations and through advance agreements. Where actual cost and sales data were not available, as in the case of contractors which had not closed their books for 1975, DCAA auditors obtained reasonable estimates.

Page 2 shows the extent of advance agreements in effect during 1974 and 1975. Page 3 shows costs not subject to advance agreements.

SUMMARY OF INDEPENDENT RESEARCH AND DEVELOPMENT AND BID AND PROPOSAL COSTS INCURRED AND SALES ACHIEVED BY MAJOR DEFENSE CONTRACTORS FOR CONTRACTOR FISCAL YEARS 1974 AND 1975

[Dollar amounts in millions]

	1974			1975		
	Costs incurred	Amount accepted by Government	DOD share	Costs incurred	Amount accepted by Government	DOD share
Independent research and development (I.R. & D.)	$1,175	$921	$467	$1,224	$1,010	$493
Bid and proposal (B. & P.)	551	506	356	595	543	384
Total I.R. & D. and B. & P. Costs	1,726	1,427	[1] 823	1,819	1,553	[1] 877
Sales:						
Total Government and commercial	[1] $43,175			[1] 46,664		
Total DOD			22,120			[1] 24,461

	1974				1975			
	Costs incurred	Amount accepted by Government	DOD share	Number of contractor divisions	Costs incurred	Amount accepted by Government	DOD share	Number of contractor divisions
WITH ADVANCE AGREEMENTS								
Independent research and development (I.R. & D.)	1,153	902	454	206	1,195	987	482	205
Bid and proposal (B. & P.)	520	477	337	206	570	519	369	205
Total I.R. & D. and B. & P. costs	1,673	1,379	791		1,765	1,506	851	
WITHOUT ADVANCE AGREEMENTS								
Independent research and development (I.R. & D.)	22	19	13	53	29	23	11	53
Bid and proposal (B. & P.)	31	29	19	53	25	24	15	53
Total I.R. & D. and B. & P. costs	53	48	32		54	47	26	

[1] Included in the data are the sales to foreign governments placed through DOD contracts and reimbursed to DOD by such foreign governments in the amounts of $1,447,900,000 and $2,084,000,000 for 1974 and 1975, respectively, as well as the applicable I.R. & D. and B. & P. costs allocable to these sales in the amounts of $45,900,000,000 and $66,000,000,000 for 1974 and 1975, respectively.

PART III

The manner of his compliance with the provisions of this section, and any major policy changes proposed to be made by the Department of Defense in the administration of its contractors' Independent Research and Development and Bid and Proposal Programs.

During the past year, we believe our implementation of Section 203, PL 91-441, has been in full compliance with that section. We have not revised any of our major policies for administration of contractors' Independent Research and Development and Bid and Proposal programs.

SUPPRESSION IN SOUTH KOREA

Mr. KENNEDY. Mr. President, on March 1, a number of Korean religious, academic, and political leaders were arrested for signing a "Declaration of Democracy" which called for the restoration of freedom of speech, press, and assembly, a return to parliamentary democracy, and an independent judiciary. The Korean Government announced subsequently that 11 of them would be charged with plotting to overthrow the government.

An official South Korean Government spokesman explained the charges in this way to the New York times:

It is the Government's interpretation that calling for the President's resignation is the same as calling for the overthrow of the government of President Park Chung Hee.

Mr. President, the United States has real economic and security interests in Korea, particularly as an adjunct to our commitment to Japan. A total of 40,000 American troops are stationed in Korea and many thousands of Americans fought and died in that country in a long and bitter war. All told we have spent nearly $12 billion in foreign economic and military assistance for Korea over the last quarter century. Yet the security of Korea does not rest upon military or economic strength alone. It has long been clear that the steady systematic erosion of liberties in that country are undermining the basis of cohesion, commitment and common action that Korea must have to provide for its own security.

Mr. President, these deep concerns are shared by many of my colleagues, in both Houses of Congress. We believe that the policies of President Park toward political dissidents have reached the point where serious questions concerning the supportive U.S. role must be raised. Last weekend, a letter was sent to the President, signed by 119 Members of the House and Senate, urging the President to direct his close attention to this problem. I ask unanimous consent that the text of this letter be printed in the RECORD.

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

APRIL 2, 1976.

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

DEAR MR. PRESIDENT: We are deeply distressed by evidence that the Government of the Republic of Korea is continuing suppression of Koreans who urge progress toward restoration of democracy in their country. Several religious, academic and political leaders have been arrested and are being charged with plotting to overthrow the government after signing a declaration presented at a church service. These measures indicate an intensification of the longstanding crisis of democracy in South Korea.

The policies of President Park toward political dissidents not only violate internationally recognized standards of human rights but also raise serious questions about the supportive role of the United States in its relations with the Republic of Korea. Military support in response to the threat from North Korea was extended originally on the premise of a credible commitment to democracy by the Government of the Republic of

Korea. More than two and a half decades later, it is difficult to perceive such a commitment. Since military power is directly associated with governmental control over the population, many Americans and Koreans suspect that United States military support somehow condones or even contributes to the long wave of repression, in the absence of strong public signals to the contrary from our government.

Under present circumstances it is increasingly difficult for us to justify military support for South Korea to our constituents. We believe that the posture of our government toward repression in South Korea is a matter which merits your close attention and we stand ready to cooperate with you in dealing with it in an appropriate manner.

Sincerely,

Bella S. Abzug, Herman Badillo, Berkley Bedell, Jonathan Bingham, Don Bonker, John Brademas, George E. Brown, Jr., John L. Burton, Phillip Burton, Ronald V. Dellums, Thomas J. Downey, Robert F. Drinan, Pierre S. du Pont, Robert W. Edgar, Don Edwards, Dante B. Fascell, Millicent Fenwick, Donald M. Fraser, Bill Frenzel, Gilbert Gude, Lee H. Hamilton, Michael Harrington, Herbert E. Harris, II, Les Aspin, Les AuCoin, Alvin Baldus, Bob Bergland

Elizabeth Holtzman, Robert W. Kastenmeier, Edward I. Koch, Andrew Maguire, Matthew F. McHugh, Ralph H. Metcalfe, Helen S. Meyner, Abner J. Mikva, Parren J. Mitchell, David R. Obey, Richard L. Ottinger, Henry S. Reuss, Frederick W. Richmond, Donald W. Riegle, Jr., Peter W. Rodino, Jr., Robert A. Roe, Benjamin S. Rosenthal, Edward R. Roybal, Leo J. Ryan, John F. Seiberling, Stephen J. Solarz, Fortney H. Stark, Andrew Young, Michael Blouin, Richard Bolling, William M. Brodhead, Yvonne B. Burke.

Bob Carr, Shirley Chisholm, Cardiss Collins, John Conyers, Jr., James C. Corman, Robert J. Cornell, Charles C. Diggs, Jr., Bob Eckhardt, Robert W. Edgar, Joshua Eilberg, Walter E. Fauntroy, William D. Ford, Tom Harkin, Anthony Toby Moffett, Lucien N. Nedzi, Robert N.C. Nix, Richard Nolan, James L. Oberstar, Edward W. Pattison, Charles B. Rangel, Thomas M. Rees, James H. Scheuer, Morris K. Udall, Richard F. Vander Veen, Charles A. Vanik, Walter F. Mondale, Birch Bayh, George McGovern, Joseph R. Biden, Jr., Charles McC Mathias, Jr., Frank Church, Edward M. Kennedy, Dick Clark.

Augustus F. Hawkins, Allan T. Howe, William J. Hughes, Andrew Jacobs, Jr., Martha Keys, John Krebs, William Lehman, Lloyd Meeds, Edward Mezvinsky, George Miller, Norman Mineta, Patsy T. Mink, Joe Moakley, Patricia Schroeder, Philip R. Sharp, Paul Simon, Gladys Noon Spellman, Louis Stokes, Gerry E. Studds, James W. Symington, Frank Thompson, Jr., Paul E. Tsongas, James Weaver, Sidney R. Yates, James Abourezk, Adlai E. Stevenson, Alan Cranston, Mark O. Hatfield, Gary Hart, Vance Hartke, Philip A. Hart, John V. Tunney, Floyd K. Haskell.

LOVA ELIAV: A CHOICE FOR ISRAEL

Mr. McGOVERN. Mr. President, a year ago, when I was in Israel, I spent a stimulating, informative evening with Lova Eliav, a member of the Knesset and a former secretary general of the Labor Party. A few weeks ago, Mr. Eliav was my guest in Washington and he is now traveling in the United States.

I believe that Lova Elia's views on the Middle East situation deserve careful consideration by his fellow Israelis and by persons in the United States and throughout the world interested in achieving a peaceful resolution of the problem confronting that region.

In the Monday, April 5, 1976, edition of the New York Times, Anthony Lewis comments on Mr. Eliav's views and I want to take this opportunity to bring Mr. Lewis' column to the attention of my colleagues. Mr. President, I ask unanimous consent that it be printed in the RECORD.

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

[From the New York Times]

A CHOICE FOR ISRAEL

(By Anthony Lewis)

Those who believe that Israel can gain security by holding on to occupied Arab territory indefinitely should have been shaken in that view by recent events. Disturbances in the West Bank were followed by the first serious incidents in 28 years among Arab citizens of Israel itself.

In the United States, the wisdom of Israel's policies toward the occupied territories is increasingly being questioned. When Ambassador William Scranton said at the United Nations that Israeli settlements in the occupied areas were an "obstacle" to peace, he was only saying openly what American officials have thought privately.

Criticism of Israeli policy tends to draw angry reactions from some American supporters of Israel. Anyone who suggests a change risks being accused of wanting to destroy the Jewish state. So it may be worth recording the views of an Israeli whose dedication to his country cannot be questioned—and who thinks it is time, indeed long past time, for a new policy.

Lova Eliav was born in Moscow 53 years ago, came to Palestine at the age of 2. He fought in the British Army in World War II, then commanded ships running the British blockade with Jewish refugees from Europe. After 1948 he was a regional developer for Israel. He planned the new city of Arad in the Negev Desert, which many Americans have seen.

In 1965 Eliav was elected to the Knesset, the Israeli Parliament. He rose fast in politics, becoming secretary general of the Labor Party in 1970. But then he broke with Government policy on the issue of how to approach the Arabs. He remains in the Knesset, but without power. He is now visiting the United States, and the other day he spoke of his fears and hopes.

"Israel," he said, "cannot carry on her shoulders for many more years a million Palestinian Arabs in occupied territories with no rights whatever. These people living under us for ten years—ten years—that erodes the moral basis of Zionism, which is a national liberation and renaissance movement of the Jewish people, not a movement to control other people.

"Time is not on our side: for that reason, and because Israel cannot stand the terrible burden of military preparedness, and because the Arabs with their petrodollars are arming themselves to the teeth, and because Israel is more and more isolated in the world. So we should face reality.

"We have cards to play. We should play them before some future American Secretary of State rams them down our throat. A strong Israel can be reasonable, flexible, logical—not a wounded, cornered animal."

Mr. Eliav's view is that Israel should declare to the world, now, her intent to give up the territories occupied in 1967 in return for full peace—meaning a peace formally signed, with demilitarized zones and diplomatic relations. Minor border adjustments would be negotiated, and as the last step a special status would have to be worked out for Jerusalem.

"The Government of Israel should also declare," Eliav said, "that it is ready to recognize the right of self-determination for the Palestinian Arab people, and for them to have a state of their own in the West Bank and Gaza Strip.

"The source of the problem is that two national movements claim the same territory. The Zionist rightly claims the whole of it, even the East Bank—it's the land of our fathers, my great-great-grandfather's dream. But it's also the land of *their* fathers. So what do you do? You halve it.

"That solution is in the path of true Jewish thinking. The Talmud says: When two people hold to one piece of cloth, even a prayer shawl, and one says, 'It's all mine,' and the other says, 'It's all mine,' and each says, 'I found it,' you must halve it. It is not like the baby and Solomon. You can cut a piece of cloth or a piece of territory, holy to both sides, and still have two viable pieces."

The Eliav proposals is for words only at first—to be followed by deeds if the Arabs respond. He would not negotiate about the Palestine Liberation Organization's idea of a single secular Palestinian state, which he sees as a way "to annihilate Israel." He thinks events in Lebanon show that both Jews and Arabs would be better off with their own separate states.

When he speaks to Jewish groups in this country, he is sometimes heckled by people who accuse him of wanting to sell out Israel. Mr. Eliav responds: "Do you want me to take off my shirt and show my scars? You know who I am. My son is a reserve captain in a tank brigade—he's fought in three wars, I in seven."

Some American politicians appeal to supporters of Israel by arguing that she should not give an inch and by denouncing any attempt to help the most moderate of Arabs. But true admirers of Israel should reflect on whether that is not terribly dangerous advice. In Israel itself, underneath the public posture, many people agree with Lova Eliav that time is not on the side of a rigid policy. And they are the people who bear the unending pressure of life without peace.

TALMADGE ADDRESSES AGRICULTURAL EDITORS

Mr. HUMPHREY. Mr. President, I wish to share with my colleagues the remarks the distinguished chairman of the Senate Committee on Agriculture and Forestry, Senator HERMAN TALMADGE, delivered to the American Agricultural Editors Association on March 30.

In his remarks, Senator TALMADGE pointed out the important role which our agricultural publications play in informing our agricultural community. He also noted the major changes which have taken place in agricultural reporting in recent years, particularly in providing information on markets and world weather conditions.

The Senator also pointed out that our farm editors need to have an opportunity for joint meetings with their urban counterparts. This is a most useful suggestion in light of the growiing importance of agriculture to our economy and the growing interest of urban residents in food availability, prices and sound nutrition.

The Senator also included a summary of some of the major bills before the Committee on Agriculture and Forestry which are likely to be acted upon before the conclusion of this session.

Mr. President, I ask unanimous consent that this address be printed in the RECORD.

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

SENATOR TALMADGE ADDRESSES AGRICULTURAL EDITORS

It is a pleasure to be with you again this year—and to say "welcome" to our Nation's Capitol.

It has always been a pleasure to visit with editors of our Nation's farm publications.

Your publications provide the bulk of information which farmers read or hear about farming. That gives you a heavy responsibility.

For many years, your publications gave most of their emphasis to the "how to" side of agriculture—"how to" try narrow rows, "how to" improve the farrowing house, "how to" apply chemicals more efficiently.

You can be proud of these accomplishments.

But I have been impressed in recent years with your increased attention to the other steps in the food and fiber system.

You are giving more attention to marketing. Your publications describe alternative marketing methods that some farmers have used with success. You have been writing more about futures markets and forward contracting.

And you have been giving increased attention to the food and farm policy decisions which have such a profound impact on your farmer-readers.

All of this is healthy.

Decisions made in Washington in recent years are having a more profound effect on agriculture and food than at any time in the recent past.

You are telling the Washington story in terms of its impact on farmers' lives and livelihoods.

During almost 20 years in Washington, I have never seen such widespread interest in farm and food policy. All of a sudden, agriculture is on the front page of our major urban dailies. More and more, farmers are on the nightly news.

In all of this news coverage of agriculture, there is both good news and bad news.

Some writers have the idea that farmers are lining their pockets at the expense of the consumer. In the past few years, some farmers have made money. I wish more of them had.

But too many farmers have been hard hit, and some wiped out altogether. I would like to see more frontpage coverage of the tragedy of farm sales, the bitterness of farm bankruptcy.

The good news is that people are paying more and more attention to farm and food policy—how the policy is made, what it means, and who is making it.

In the long run, a better informed public will mean better public policy.

And that is where you—and your nonfarm colleagues—will play such a key role.

As farm publication editors, you contribute to farm policy discussion as well as write about it. As opinion leaders in farm country, you help shape the thinking of many farmers and farm leaders.

Likewise, your nonfarm colleagues in the general news media have an enormous impact on how most Americans think about farm and food policy.

About this time every year, you come to Washington to talk shop, trade ideas and visit with the people who are involved in farm and food policy. The Newspaper Farm Editors Association—and the farm broadcasters—have similar meetings.

It would be helpful if there would be similar meetings for the urban reporters and editors who write about farm and food policy.

There is no forum of which I am aware, for daily newspaper and network television news people to get together and learn about agriculture.

It might be useful for you—who write for and about agriculture on a daily basis—to have a working session like this with your counterparts from the urban press.

It could be on a national level. Perhaps, it could be on a local or regional basis—with farmers talking about problems of specific commodities, specific regions.

Farm editors could take the leadership in such a venture. It could be useful to agriculture, useful to your farmer subscribers, and—most of all—useful to the readers and listeners of the non-farm press.

I am looking forward to your regional reports to the Congress—your impressions of how farmers think about what we do, and don't do, in Washington.

But first let me do what your president asked me to do—outline the current issues facing the Senate Agriculture Committee.

One of our most challenging responsibilities in this Congress has been to reform the Federal food stamp program. We have made a great deal of progress.

The full Senate this week is considering a bill which was developed by our Committee.

Our bill would take about 1.3 million relatively higher income participants out of the program. It would increase benefits for more of the truly needy. It would cut about 10 per cent of the $6.3 billion cost of the program.

The week after next, our Committee will probably finish its work on grain inspection reform. We will consider a bill approved by two Subcommittees last week. It would federalize inspection and supervision of weighing at export elevators and the 25 largest interior terminals.

All of you are familiar with the corruption and bribery which has been exposed in New Orleans and other places.

Our Committee is pledged to cleaning up the system. We must assure American farmers that their products have the best possible reputation in world commerce.

Following that we will take up a critical issue—the management of our National Forest resources.

We will be looking at legislation designed to encourage more direct farmer-to-consumer marketing of farm products—a concept that farmers in my own state of Georgia are looking at with great interest.

We have approved for Senate consideration a bill to improve our planning process for soil and water resource conservation.

We may be looking at proposals to reestablish a National Commission on Food Marketing.

These are just the highlights of what appears to be another active and challenging year for agriculture in our Nation's Capital.

In addition to new legislation, we will continue to look at how the old programs are working.

We are likely to continue our oversight efforts in farm credit, rural development, farm production costs, and a wide range of related subjects.

What other farm problems may occupy the Congress is anybody's guess. A year ago I could not have predicted we would have been concerned about grain inspection. Two year ago, there was no way of telling that we would have been involved in last year's emergency farm bill effort.

We must be ready to respond to the challenges facing our food and fiber system, whatever form they take.

I hope that you will help us keep aware of the needs and concerns of rural America.

And I hope that you will call on us whenever we might help you meet your responsibilities to your readers, our constituents.

I wish you another successful meeting in Washington today.

UNWARRANTED NUCLEAR SECRECY

Mr. SYMINGTON. Mr. President, for years now all of us on the Joint Atomic Energy Committee have known that the unnecessary secrecy which has pervaded and still pervades all aspects of our nuclear force effort has been detrimental to both the security and prosperity of the United States.

The latest practical illustration of the logic of this position is currently well demonstrated by the secrecy which surrounds the meetings of the seven countries that produce nuclear material; which countries, in unwarranted secrecy, have been meeting periodically in London.

The absurdity of this secrecy is now becoming a matter of world attention as well as something of deep concern to many of us in this country.

As but one illustration of the above, I ask unanimous consent that an article in "The Economist" of February 28, 1976, be printed in the RECORD at the end of these remarks.

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

(See exhibit 1.)

Mr. SYMINGTON. Mr. President, the first sentence of the first paragraph of this article sums up the thrust of what we are saying. The sentence follows:

Control of nuclear technology looks more and more endangered by undue secrecy, misplaced priorities in the less-developed countries, and the ambivalent role now played by the International Atomic Energy Agency (IAEA).

EXHIBIT No. 1

NUCLEAR INSPECTOR OR SALESMAN?

Control of nuclear technology looks more and more endangered by undue secrecy, misplaced priorities in the less-developed countries, and the ambivalent role now played by the International Atomic Energy Agency (IAEA). The case for overhaul of the agency is urgent, for it is now being asked to take on new responsibilities in a regrettably piecemeal way. Few any longer take much notice of the nuclear non-proliferation treaty.

On Tuesday Britain laid a proposal on the table of the agency's governing board in Vienna, which is a direct result of the cosmetic gentlemen's agreement concocted last month by the United States and six other nuclear-exporting countries. Britain suggests rewriting the standard IAEA agreements (usually signed by buyer and seller nations and by the agency) for supervision of nuclear sites. Ostensibly, the object is to make the rules more strict but in fact the new standard agreement, by replacing several alternative types now used, would merely be a simplification. Sellers of nuclear materials would not feel constrained (if they do now) in deals with nontreaty countries, and buyers would be saved from having to make a political display of their peaceful intentions by signing the treaty. In short, Britain's proposal (on behalf of America, Canada, Denmark, Holland and Venezuela as well) lays the treaty to rest.

By definition, the agency's standard agreement will be technical and will therefore gloss over the buyer country's promises not to use nuclear knowhow to make bombs.

Those countries that objected to signing the nonproliferation treaty were anyway unlikely to sign IAEA agreements unless they thought their hands would remain relatively free. But the agency has only 67 inspectors to cover some 400 atomic facilities worldwide. Nuclear power stations are popping up everywhere, and the agency will have to inspect at least 1,000 facilities by 1980. So, although new inspectors are being recruited, there will continue to be loopholes that cannot be plugged no matter how detailed the agency's mandate to supervise.

January's wider agreement is still secret. Weirdly, the secrecy extends even to the IAEA, which, although it would police the regulations, did not take part in the talks last year in London and has still not been formally notified of the outcome. However, the agreement is known to boil down to a vague commitment to forget about the treaty and to let nuclear pedlars sell their wares to anyone who is willing to accept standard IAEA safeguards. That does not seem much.

But the gentlemen's agreement could yet prove workable if the agency is able to move its regulatory operations into high gear. Its job is to detect any diversion of nuclear materials from commercial to military applications, but increasingly it has become more preoccupied with spreading commercial nuclear power than with regulating its uses. The agency now spends about a third of its $37m annual budget on site inspection and the supervision of health and safety regulations. These regulatory functions relate specifically to improper uses that might be made of commercial nuclear equipment or fuels. The remaining two-thirds of the budget goes on information and, notably technical assistance for developing nuclear power in the third world. This is the IAEA's promotional business. It has grown tremendously in recent years.

Regulation and promotion are inconsistent. In 1974, the American Atomic Energy Commission was disbanded, and in its place two new bodies were created, one to license and regulate nuclear power plants, the other to encourage their construction through research and development. Since then, the new Nuclear Regulatory Commission has proved far stricter in its regulatory duties than the old commission had ever been, much to the displeasure of the nuclear industry and of electricity producers. Their resentment is perhaps the best barometer of the success of the commission as a regulatory body.

EXPENSIVE POWER, EASY BOMBS

Although officials in Vienna are certainly not trying to encourage weapons proliferation, they have become open partisans of greater use of nuclear power in the poor countries. The economics of nuclear power depend greatly on levels of interest rates and on assumed forward prices for other rates of energy, but at present the economic arguments tell against nuclear power except in the most populous and advanced countries of the third world, such as Brazil and Iran. Reactor types are generally too big for their needs. Now the IAEA is promoting smaller reactors and soliciting support from poor countries.

Furthermore, the agency is encouraging third-world countries to ask for a "nuclear power planning study" to assess the prospects for atomic energy. Pakistan, Bangladesh and Indonesia called in the IAEA early on, and the studies were completed last year. Others will follow. And although each of the studies is essentially an "energy audit," the common assumption is that, where at all possible, nuclear power should fill the gap between indigenous energy supplies and demand. That is a self-serving assumption to make, especially when a wide range of alternative energy sources, notably solar, are only now coming on line. It is also politically undesirable. Most northerners should not want a body that their taxpayers help finance to be persuading the General Amins of this world to make uneconomic decisions in favour of energy systems from which local nuclear bombs could be a byproduct.

There is an argument for providing information to the less-developed countries, but not for myopically promoting nuclear power in them. The sellers' cartel formed by the seven exporting countries, now trying to put some order into safeguard rules, should be the first to accept the need for the IAEA to spend all its time safeguarding, not promoting, the seven's exports. That is what Britain should have proposed this week.

LULAC NATIONAL EDUCATION CENTERS

Mr. MONTOYA. Mr. President, one of the most serious problems which the Congress faces this year is to explain to the public our reasons for refusing to accept the severe cuts which the President's budget request suggests in Federal education and social service programs. Because most of these programs were designed to correct inequities which adversely affect specific target populations, each with limited numbers of advocates, it has become necessary for us to refight old battles over and over again in an effort to maintain support for even the most successful programs. I believe an excellent example of that problem can be seen in the funding request for Community Services Administration in the 1977 budget of the President. For fiscal year 1976 the appropriation was $497,-152,000. The request this year is for a reduction to $334,000,000.

This cut, if accepted by the Congress, will cause severe injury to many good programs. I would like to pinpoint one specific program in some detail, as an example of the danger of this kind of wholesale cutback without consideration or preparation for alternative support.

One of the most difficult education problems we face is the severe underrepresentation of Hispanic Americans in our institutions of higher education. Even though this is the Nation's second largest minority, comprising 6 percent of the total population, they account for only 2 percent of our college enrollment, and only one-half of 1 percent of our college faculties. A long and tragic system of benign neglect and cultural discrimination has kept those figures low. There is an extreme shortage, as a result, of college trained Hispanic professionals to provide adequate leadership and representation in such vital fields as medicine, business, law, education, engineering, and others. In spite of great strides which Spanish-speaking Americans have made in recent years, there still exist sharp imbalances which must be corrected for the sake of the future social and educational health of Spanish-speaking communities and students.

Because of the urgent need to correct this critical situation confronting Hispanics in higher education, the LULAC educational centers were founded in 1973 by the League of United Latin American Citizens. LNESC is currently funded by the Community Services Administration—CSA. It is the express intent of LNESC to foster Hispanic leadership through education by striving to increase the number of Hispanic students attending the country's colleges and universities. LNESC also seeks to increase public awareness of the unmet higher educational needs of Spanish-speaking Americans. At the same time, LNESC through the recruiting, counseling, and placement services provided by its 11 field centers, is working to alleviate and eventually solve the problem of low Hispanic participation in higher education.

The New Mexico LULAC Educational Service Center in Albuquerque began serving the citizens of New Mexico in July 1973. While the Center's primary function is to increase the number of Spanish-surnamed students in America's colleges and universities, the Center also extends its services to any and all disadvantaged students regardless of their ethnic background. Since its inception, the New Mexico Center has counseled over 2,600 individuals seeking higher education. It has enrolled over 1,600 students in institutions of higher learning, in addition to generating over $1,200,000 in financial aid. These figures and the excellent relationship with the community indicate that the New Mexico LULAC Educational Service Center is a vital force in the field of higher education in New Mexico's colleges and universities and in other schools throughout the country. Former LNESC participants are now completing programs at UCLA, Georgetown, Harvard, Brandeis, Radcliffe, and many other fine institutions of higher learning.

The community, universities, career schools and high schools of New Mexico work closely with the LULAC Educational Service Center and vice versa. This year, for example, the close cooperation with the city of Albuquerque led the city to entrust the center with the coordination and administration of the city's CDA—Community Development Association—scholarship fund which benefited 189 students. This cooperative effort was made possible by the credibility the center has established in serving all students in need of help and not just those of Hispanic heritage.

Many high schools, as well as colleges and agencies throughout the State, invite LULAC Educational Service Center personnel to provide them or other individuals with the Center's Services. New Mexico Highlands University and New Mexico Western University are considering permitting some of their graduate students pursuing degrees in the field of guidance and counseling to complete their "practicum experience" with the center.

The New Mexico Center also works closely with other organizations and programs such as SER, OIC—Opportunities Industrial Center—Albuquerque Job Corps for Women, Talent Search, New Mexico Opportunity Center, to name a few. Care is taken not to duplicate services in a given area. The city of Albuquerque and the county of Bernalillo OCETA program have recognized both the effectiveness and the need for the Center's

services by allocating personnel to the Center in order to help meet the needs for its services.

The staff members, including the director, counselors, and support staff, are bilingual in English and Spanish. They have all lived and worked in the area for many years and are familiar with the community they serve, thus enabling the staff to create an atmosphere of cooperation, rapport, and trust while assisting low income and educationally disadvantaged students.

LNESC staff members pride themselves in their support of community voluntary organizations during their own time. Close working relationships have been established with many New Mexico government officials, from the Governor's office to Municipal government agencies.

The New Mexico LULAC Educational Service Center is only 1 of the 11 centers throughout the country. Nationally, LULAC National Educational Service Centers have enrolled 11,160 students in the nation's colleges and universities and have counseled over 36,000 students in addition to generating over $10.5 million in financial aid. Other centers are located in Boston, Chicago, Colorado Springs, Corpus Christi, Houston, Phoenix, Pomona, San Francisco, Seattle, and Topeka. LNESA is a prime example of what CSA can and has done nationwide for low income groups, particularly in the area of adult education.

This is not an example of Federal bureaucracy at work wasting the taxpayers' dollars. This is an example of a Federal program which is contributing to the present and future well-being of the local communities in which it is being used. It is a very good example of government working to solve problems in an efficient and productive way. It is also an example of the kind of program which we must preserve, in spite of the mindless attacks of the budget cutters.

THE OCEAN AND COASTAL RESOURCES ACT OF 1976

Mr. GRAVEL. Mr. President, on March 17, Senators PELL, HOLLINGS, and others introduced S. 3165, the Ocean and Coastal Resources Act of 1976. This legislation extends authorization for the national sea grant program, and establishes a national policy for the development of our marine resources through NOAA. As I have been involved in the strengthening and preservation of our marine resources for some time, I am pleased to join with my colleagues in cosponsoring this legislation.

The sea grant program has contributed significantly to the body of technical and economic knowledge of our seas. There are presently several important studies operating under the sea grant program through the University of Alaska: experiments in artificial upwelling to increase marine life nutrients, investigations as to the most beneficial fish hatchery sites, the development of a chemical assay for clam toxin. All of these projects have tremendous environmental and economic implications.

NOAA and the sea grant program have not merely been engaged in isolated research projects, but have applied their knowledge to the very real problems our Nation, and other nations, face, that is, the need for increased reliance upon marine resources, combined with the awareness that we must insure the continuation and protection of those same resources.

The changes in this bill—a strengthened national marine policy role for NOAA, and a structuring of the sea grant program to meet national, State, and regional needs—will serve to integrate goals and disseminate knowledge in order to build a sound national marine resource policy.

EXPRESSION OF SUPPORT FOR DAVID SMITH TO BE AMBASSADOR TO SWEDEN

Mr. PELL. Mr. President, I wish to express my support for David Smith who is taking on the challenge of being our Ambassador to Sweden.

Having known and liked him for more than 20 years, I believe that I have good grounds for supporting his candidacy.

He has the education, experience, and interests that will equip him to do an outstanding job.

While my fellow committee members know my general thought that the proportion of career Ambassadors should be increased, this appointment is one that I would like to see as a model for noncareer appointments when and if they are made.

I know Mr. Smith and his attractive wife will do an excellent job representing our country and wish them well.

ESTATE TAX REVISION

Mr. BURDICK. Mr. President, I am pleased today to bring to the attention of my colleagues a recent editorial written by Mr. John Paulson, editor of the Fargo Forum. Mr. Paulson's insightful comments, published in the March 8 morning edition of North Dakota's largest daily, concern the updating of the Federal estate tax.

Mr. Paulson is to be commended for his careful analysis of the many pieces of legislation which have been introduced in the 94th Congress to provide the first meaningful revision of the Federal estate tax since 1942. Mr. Paulson has stated perhaps the most compelling argument for revision of the exemption levels from the current $60,000 to much higher figures. His thesis is that persons in all walks of life, not just farmers and ranchers, will benefit from the raising of the exemption level to $200,000. Urban homeowners, small business operators, as well as all other citizens who have wisely managed their financial resources should be accorded tax relief. I wholeheartedly endorse the Forum's position that any relief provided be accorded across the board.

Mr. President, I ask unanimous consent that the Fargo Forum editorial of March 8, 1976, be printed in the RECORD.

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

FEDERAL INHERITANCE TAX RELIEF SHOULD BE UNIFORM FOR EVERYONE

There is a concerted effort among the farmers of this nation to have Congress pass some special relief for them from the federal inheritance tax. The same effort is being made in those states where the state inheritance tax is as tough or tougher than the federal tax.

There is no doubt but what the exemptions allowed under either state or federal inheritance tax laws have not kept pace with inflation. For the federal tax, the exemptions were established in the early 40s and have stayed unchanged. Under the $60,000 exemption for individuals, whole farms could be passed from father to son or daughter without a nickel being paid to Uncle Sam.

With land selling in the neighborhood of $50 an acre, no trouble was encountered in passing along two sections from one generation to the next. Some land values have increased tenfold since then, and the exemption covers only 120 acres instead of 1,200.

Senators and congressmen from farm states get strong support from their constituents when they propose that the exemptions be increased to at least $200,000 for family farms, but there has been no noticeable reaction from the tax committees of Congress yet. It doesn't take any great amount of political smarts to figure out that the urban congressmen, who dominate Congress, aren't going to devise a program to aid those that they describe as the rich farmers without doing something for the voters in their own districts.

They have a point. The successful small business, whether it be a fast food franchise, a combination car repair and service station or a suburban drug store, has taxable values similar to those of farmland, and the estate tax man wants Uncle Sam's money right now when the death taxes come due. It should also be noted that the residential values throughout the nation have jumped in value in about the same proportion as have farms. The $18,000 home of 10 years ago could well be worth $45,000 or $50,000 now. And residential values push up the taxable values of estates just as do farm values.

So the problem before Congress is not the simple one of protecting the "right" of farmers to pass an operating farm along from one generation to the next. Also to be protected are the suburban homeowners, the small business operators and also those who have managed to have a tidy nestegg through thrift or wise investments. The logical solution would be to increase the exemptions uniformly for everyone, just to keep pace with inflation which has been triggered by the high spending level set by one Congress after another.

"DAY CARE CATCH 22"

Mr. JAVITS. Mr. President, a letter to the editor appeared in Tuesday's edition of the New York Times which poses questions the Senate must address. "Day Care Catch 22" raises important long-range concerns which, I hope, will be brought before the Senate in the near future.

The problem of CETA reauthorization is presently being considered by the Subcommittee on Employment, Poverty and Migratory Labor of the Senate Committee on Labor and Public Welfare. It is anticipated that shortly the full Committee on Labor and Public Welfare will have a bill for reauthorization of public service employment before it. Problems remain for some prime sponsors whose funds will expire before June 30, 1976, but it is hoped that an emergency sup-

plemental appropriation bill will be passed to enable those prime sponsors to continue their programs through June 1976. Before then, a bill authorizing 1 million public service jobs for local projects of 1-year duration will have been considered by the Congress. This will continue the present programs with additional funds authorized to develop local projects through fiscal year 1977. If we do this quickly, Peter Aviles will have his question answered.

The problem of day care eligibility has long been a concern of Congress. As presently constituted, income eligibility as a criteria works as a disincentive to work. The question of welfare reform has been raised many times before this body. Recently, I introduced S. 3000, Tax Credits and Allowances Act of 1976, which approaches the problem of work disincentives from many angles, and comprehensively reforms the welfare system as we know it. Within this reform, the various Catch 22's that have caused so much consternation will be eliminated. The day care question would be addressed by elimination of income eligibility tests, and by charging a standard fee for the service regardless of income. I realize there may be no prospect of immediate action on this measure, but it is time we begin considering the merits of the arguments.

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:

DAY CARE CATCH 22

NEW YORK, *March 11, 1976*.

TO THE EDITOR: As one intimately involved with day-care issues, parents and children, I feel compelled to respond to the statement by First Deputy Mayor John E. Zuccotti quoted in The Times (March 10) that "as many as 16,000 of the 36,200 children enrolled in 410 centers financed by the city, state and Federal governments might be ineligible."

The public should be aware that New York State has lowered the financial eligibility thresholds for families to inadequate levels as part of the state's program to cut its own expenses in response to the budgetary crisis. Current eligibility maximum annual gross income levels are $11,411 for a family of four, $9,585 for a family of three and $8,730 for a family of two. Any earnings over that amount immediately disqualify a family for day care, because the former system of sliding-scale fees based on income levels has been eliminated.

The irony and cruelty of the current eligibility system is that children are eligible for day care while the parent is receiving welfare and during job training, but once the parent obtains employment, the family income level often disqualifies the parent for the day-care services needed in order for the parent to have some place to leave preschool children while the parent is at work.

Unrealistically low income eligibility levels wreak hardship on parents who want to work but who lose day-care eligibility if they do so. To label children as "ineligible" is conveniently to ignore this "Catch 22" reality of the present day-care eligibility system.

MARGARET G. EISENSTADT.

THE CASE FOR A 40 PERCENT TAXABLE BOND ALTERNATIVE

Mr. KENNEDY. Mr. President, last week the House Ways and Means Committee favorably reported H.R. 12774, a major bill designed to provide an alternative method of State and local financing through the payment of a Federal interest subsidy on bonds that the issuing jurisdiction chooses to make taxable.

The idea is so worth while that I hope the measure will be promptly approved by both the House and Senate, so that its benefits can begin to flow as soon as possible to State and local governments.

Although there are many points in favor of the bill, one that should be especially appealing to Members of the Senate and House, whatever their political philosophy, is the fact that use of the taxable bond alternative will vastly improve the efficiency of the existing subsidy to State and local bonds.

I say "existing" subsidy, because Congress is today, through the tax exemption for State and local bonds, providing a $4.5 billion a year tax subsidy to State and local governments—but only $3 billion of the subsidy actually reaches its destination; $1.5 billion is siphoned off in the form of tax benefits for the wealthy private citizens, commercial banks and insurance companies who have been the principal purchasers of tax exempt bonds. In other words, it costs the Federal Government $1 to provide 67 cents worth of benefits to State and local governments.

By contrast, as the Ways and Means Committee and others have pointed out, the taxable bond alternative offers much higher efficiency in the expenditure of scarce Federal funds. For each Federal dollar spent, $7 of benefits flow through to State and local governments. Thus, the shift to the alternative gives much more bang to the Federal buck—10 times more bang, in fact, than the existing wasteful subsidy for tax-exempt bonds.

H.R. 12772—and S. 3211, the companion bill I have introduced in the Senate—do not impair the tax-exemption option available to State and local governments. But the bills do encourage these jurisdictions to try the taxable bond alternative, as a way of obtaining substantial new Federal assistance at far lower net cost to the Federal Treasury.

The taxable bond alternative is also designed to minimize as much as possible the instinctive reaction that arises in some quarters against Federal intrusion into the traditional preserve of State and local financing. The bill accomplishes this goal in three ways:

The Federal subsidy will be automatic, in the sense that the subsidy will be available without Federal conditions or other Federal oversight to all jurisdictions that choose the alternative of issuing taxable bonds.

In addition, the subsidy will be funded by a guaranteed entitlement, to insure that the Federal funds for the subsidy will not become victims of the vagaries and delays and uncertainties of the annual appropriations process in Congress.

Finally, the subsidy will be set at a level low enough—35 percent in the pending House bill and 40 percent in my Senate bill—to guarantee that it will not disrupt the existing tax-exempt bond market, which will continue to be available for all jurisdictions that wish to use it.

My strong preference is for a 40-percent level of the subsidy, as the proper balance between encouraging use of the taxable bond alternative and avoiding disruption of the existing tax-exempt market.

The following table indicates the effect on the estimated $30 billion in annual issues of State and local bonds, at various levels of the subsidy:

Subsidy level	Amount of taxable bonds issued (millions)				Amount of tax exempt bonds issued (millions)	
	Short term	Long term	Total	Percent	Total	Percent
30 percent		$1,400	$1,400	5	$28,600	95
35 percent	$200	2,900	3,100	10	26,900	96
40 percent	500	4,500	5,000	17	25,000	80
45 percent	1,000	6,200	7,200	24	22,800	73
50 percent	14,500	13,700	28,200	94	1,800	6

These figures make a convincing case for at least a 40-percent subsidy level. At this level, only about $5 billion, or 17 percent, of the $30 billion of annual State and local government offerings would shift over to the taxable bond market.

Even at a 45-percent subsidy level, only about a quarter of the offerings would shift to the taxable alternative. At this level, there is no real threat to the existing tax-exempt market, since the vast majority of offerings would still be made through the tax-exempt route.

It is only when the 45-percent subsidy level is exceeded and the 50-percent level is approached that serious effects begin to be felt on the tax-exempt market. My hope, therefore, is that Congress will see fit to adopt the 40-percent level as the most appropriate compromise for the subsidy.

These data offer virtually no justification for the administration's support of a 30-percent level for the subsidy. At this level, only 5 percent of the offerings would choose the taxable alternative, and the minuscule resulting use of the approach would effectively bar its role as an efficient source of new capital formation for State and local governments. In effect, Congress would be adopting the concept in theory, but would be denying it in practice.

Moreover, as the following table indicates, the 30-percent subsidy level would mean an extremely low net Treasury cost, defined as the gross cost of the subsidy to the Treasury, less the revenues generated for the Treasury from taxes on the interest on the taxable bonds. For a 30-percent subsidy, the net cost would only be $7 million in the first full year of the program, and only $81 million by the 10th year, when the program would be operating at equilibrium. The low net cost emphasizes the negligible role the administration envisions for the new program.

FEDERAL COSTS AND STATE-LOCAL BENEFITS OF TAXABLE MUNICIPAL BONDS AT VARIOUS SUBSIDY LEVELS

[In millions of dollars]

	Year (30 percent)		Year (35 percent)		Year (40 percent)		Year (45 percent)		Year (50 percent)	
	1st	10th	1st	10th	1st	10th	1st	10th	1st	10th
Gross subsidy cost	39	486	99	1,240	181	2,272	290	3,653	1,174	14,766
Revenues generated	32	405	77	975	135	1,704	210	2,638	1,026	12,908
Net subsidy cost	17	81	21	266	45	568	81	1,015	148	1,858
Reduction in State and local interest cost	69	868	157	1,972	282	3,547	407	5,122	533	6,698

In fact, at all subsidy levels—30 to 50 percent—the net Treasury cost is remarkably low, considering the leverage effect that can be achieved in the form of reduction of State and local borrowing costs. At the 40-percent level which I favor, for example, the net cost of the program would be only $45 million in the first year, rising to $568 million in the 10th year.

In terms of this cost-benefit analysis, the 50-percent subsidy is extremely attractive—except, of course, for the disruptive effect on the tax-exempt market. At 50 percent, the Treasury would be spending $1.8 billion in the 10th year of the program to provide $6.7 billion in benefits to State and local governments.

This is an interesting "might have been"—if, in years gone by, Congress had adopted this sort of subsidy for State and local bonds, and if Congress had set the subsidy at 50 percent, then the program today would be providing $6.7 billion in savings to State and local governments, at a cost to the Federal Treasury of $1.8 billion.

In other words, at less than one-third the cost of the current revenue sharing program, we could be giving State and local governments even more benefits than they now receive under revenue sharing. That fact should be food for thought for Governors and mayors and municipal finance officers, as they balance their concern for retaining the existing tax exempt market against their need for capital formation and realistic forms of Federal aid that Washington can afford.

The potential savings and benefits and efficiencies available under the taxable bond alternative are dramatic points in favor of the pending bills. I believe the proposal deserves careful consideration by all of us in Congress, and by State and local officials throughout the country. I hope that it will be approved.

Mr. President, an excellent background paper on the taxable bond alternative has been prepared by the staff of the Joint Committee on Internal Revenue Taxation, and I ask unanimous consent that excerpts thereform may be printed in the RECORD.

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

TAXABLE BOND ALTERNATIVE FOR STATE AND LOCAL GOVERNMENTS

[Prepared for the use of the Committee on Ways and Means by the Staff of the Joint Committee on Internal Revenue Taxation]

PRESENT LAW

Interest payments received from debt obligations issued by State and local governments and their instrumentalities generally are exempt from Federal income tax (section 103 of the Code). The exemption has been provided since the adoption of Federal income tax in 1913. In contrast, interest payments on virtually all debt obligations issued by the Federal Government are subject to Federal income tax.

The tax law presently places no restrictions or conditions on issuing tax-exempt general revenue and general obligation State and local government bonds or on the use of the proceeds from these bonds. However, in the case of industrial development bonds[1] the tax-exempt status is available only for small issues of industrial development bonds (up to $1 million annually) or where the total project costs involved are not over $5 million. Additional exemptions also apply to site purchases and development for industrial parks and to several types of business activities carried on by governmental units, such as stadiums and coliseums, residential housing, pollution control and waste disposal, and transportation, terminal and storage facilities.

Tax-exempt status also is not available for arbitrage bonds issued by State and local governments. Arbitrage bonds, in general, are issued at the low tax-exempt bond interest rate, but the proceeds are invested in Federal Government (or other) bonds whose higher rates of interest are not taxed when held by State and local governments. Tax exemption was withdrawn from State or local bonds used for this purpose because they often produce income for the State or local government and may not be used to finance a government function.

BACKGROUND: THE TAX-EXEMPT BOND MARKET

Capital outlays by State and local governments, and bond issues to finance them, have increased sixfold since 1950. In addition to traditional expenditures for schools and other public buildings, highway projects and sewer and water projects, substantial capital outlays in recent years have been made for transit systems, public pollution control devices and industrial activity through industrial revenue bonds. As is indicated by table 1, State and local government bond issues have increased from about 10 percent to nearly 25 percent of the total funds raised in capital markets since 1947. Over the same period, funds raised by corporations in the capital markets have increased from about one-third of the total to nearly 45 percent of the total.

[1] Present law defines an industrial development bond as a State or local government obligation a major portion of the proceeds of which is to be used for the benefits of a taxable business, and the payment of which is secured by an interest in property used by a taxable business or is to be derived from revenue of such a property.

TABLE 1.—ISSUES OF SECURITIES BY PUBLIC AND PRIVATE ORGANIZATIONS, 1947-72

[In millions of dollars]

Year	Total	Corporations				Government bonds		
		Bonds	Common stock	Preferred stock	Corporate total	Total	U.S. Government	State and municipal
1947	19,941	5,036	779	762	6,577	13,364	10,589	2,324
1948	20,250	5,973	614	492	7,078	13,172	10,327	2,690
1949	21,110	4,890	735	425	6,052	15,059	11,804	2,907
1950	19,893	4,920	811	631	6,361	13,532	9,687	3,532
1951	21,265	5,691	1,212	838	7,741	13,523	9,778	3,189
1952	27,209	7,601	1,369	564	9,534	17,675	12,577	4,401
1953	28,824	7,083	1,326	489	8,898	19,926	13,957	5,553
1954	29,765	7,488	1,213	816	9,516	20,249	12,532	6,969
1955	26,772	7,420	2,185	635	10,240	16,532	9,628	5,977
1956	22,405	8,002	2,301	636	10,939	11,467	5,517	5,446
1957	30,571	9,957	2,516	411	12,834	17,687	9,601	6,958
1958	34,443	9,653	1,334	571	11,558	22,885	12,063	7,449
1959	31,074	7,190	2,027	531	9,748	21,326	12,322	7,681
1960	27,541	8,081	1,664	409	10,454	17,387	7,906	7,230
1961	35,527	9,420	3,294	450	13,165	22,363	12,253	8,360
1962	29,956	8,969	1,314	422	10,705	19,251	8,590	8,558
1963	35,199	10,856	1,011	343	12,211	22,989	10,827	10,107
1964	37,122	10,865	2,679	412	13,957	23,165	10,656	10,544
1965	40,108	13,720	1,547	725	15,992	24,116	9,348	11,148
1966	45,015	15,561	1,939	574	18,074	26,941	8,231	11,089
1967	68,514	21,954	1,959	885	24,798	43,716	19,431	14,288
1968	65,562	17,383	3,946	637	21,966	43,596	18,025	16,374
1969	52,747	18,348	7,714	682	26,744	26,003	4,765	11,460
1970	88,666	30,315	7,240	1,390	38,945	49,721	14,831	17,762
1971	106,430	31,883	10,459	3,683	46,025	60,406	17,325	24,370
1972	96,481	28,896	9,694	3,367	41,957	54,523	17,080	23,028

Source: "1973 Statistical Supplement to the Survey of Current Business," pp. 103-104.

From 1960 to 1972 State and local government long-term bond issues have increased from $7.23 billion to $22.94 billion—more than threefold (see table 2). These capital issues have been used for schools, water and sewer projects, highway projects, veterans aid, public housing, industrial aid, and other uses. The relative importance of these activities has varied during the 13-year period. Bonds issued for school purposes have more than doubled, but the relative importance of school construction has decreased from 34 percent of the total in 1960 to 23 percent in 1972. Water and sewer projects, highway projects and public housing have experienced two to threefold increases in absolute levels of bond financing, but their relative importance also have declined among all State and local government activities financed through bond issues.

TABLE 2.—STATE AND MUNICIPAL BONDS SOLD BY PURPOSES 1960-72

[In thousands]

Year	School	Water and sewer	Highway bridge and tunnel	Veterans aid	Public housing authority	Industrial aid	Other	Total
1972	$5,348,943	$2,841,441	$2,082,267	$259,700	$958,960	$470,695	$10,978,836	$22,940,843
1971	5,723,009	3,617,497	2,717,903	307,300	1,000,435	219,510	10,783,880	24,369,536
1970	4,583,101	2,329,706	1,497,392	213,000	130,790	47,593	8,560,061	17,761,645
1969	3,174,829	1,357,049	1,571,846	147,000	397,885	24,020	4,737,622	11,460,251
1968	4,717,957	1,887,228	1,564,259	155,000	524,810	1,585,269	5,939,808	16,374,332
1967	4,454,022	1,947,162	1,140,352	165,000	477,510	1,325,147	4,773,754	14,287,949
1966	3,719,296	1,637,418	1,493,202	90,000	439,705	504,460	3,204,857	11,088,938
1965	3,615,745	1,904,759	966,254	50,000	464,045	211,631	3,870,754	11,084,188
1964	3,377,700	1,702,849	354,293	120,000	635,745	191,351	3,562,188	10,544,127
1963	3,100,241	1,793,406	1,000,348	25,000	254,015	119,120	3,314,534	10,106,663
1962	3,001,785	1,319,628	1,146,000	125,000	381,800	84,317	2,499,669	8,558,200
1961	2,713,707	1,354,650	1,204,062	477,676	188,810	71,711	2,348,895	8,359,512
1960	2,432,748	1,007,859	1,072,944	200,000	332,755	46,867	2,086,317	7,229,500
Percentage distribution (selected years):[1]								
1972	23.3	12.4	9.1	1.1	4.2	2.1	47.9	100
1970	27.5	13.1	8.4	1.2	.7	.3	48.2	100
1965	32.6	17.2	8.7	.5	4.2	1.9	34.9	100
1960	33.7	13.9	14.8	2.8	5.3	.7	28.9	100
Percentage change 1960-72	220	282	194	130	250	1,002	526	317

[1] Details may not add to total due to rounding.

Source: Bond Buyer's "Municipal Finance Statistics," vol. 11, May 1973.

Industrial aid programs, which are financed through industrial revenue bonds, increased from $47 million in 1960 to $1.6 billion in 1968; they decreased to $24 million in 1969 (because of restrictions in their size provided in the 1969 Tax Reform Act) but rose to $471 million in 1972. From 1960 to 1972, the increase was tenfold, but the 1968 level was more than 30 times the 1960 level. In table 3 are estimates of gross fixed capital formation by type, by State and local governments, from the period from 1958 to 1973.

One of the effects of the substantial increase in the use of industrial revenue bonds which has been of concern to State and local governments is the market congestion which results from the increased number of bonds competing for buyers in the tax-exempt market. This congestion increases tax-exempt interest rates and narrows the interest differential between taxable corporate and tax-exempt State and local bonds.

Interest yields on both corporate taxable bond issues and on tax-exempt State and local government issues have increased substantially since the end of World War II. As shown in table 4, average corporate yields in 1947 were 2.86 percent, and average municipal yields were 1.93 percent. By 1975, average corporate yields had risen to 9.46 percent and average municipal yields to 7.05 percent. Through this period, the ratio of government tax-exempt yields to corporate taxable yields has fluctuated between 64 percent and 80 percent. From 1969 to 1975, the ratio has varied between 67 percent and 79 percent—the lowest level in 1973 and the highest in 1969. The higher ratios have taken place when corporate or government demand for funds has increased or when a tight monetary policy has prevailed.

TABLE 3.—STATE AND LOCAL GOVERNMENT GROSS FIXED CAPITAL FORMATION BY FUNCTION

[Billions of dollars]

	Total	Highways	Education	Sewer and water	Health	Airports and water terminals	All other
1958	13.8	5.9	3.5	1.5	0.4	0.1	2.3
1959	14.3	6.2	3.4	1.6	.4	.4	2.3
1960	14.3	5.8	3.7	1.6	.4	.4	2.5
1961	15.5	6.2	4.0	1.7	.4	.4	2.8
1962	16.3	6.8	4.0	1.8	.4	.4	2.9
1963	18.0	7.5	4.6	1.9	.4	.4	3.1
1964	19.5	7.6	5.2	2.4	.4	.4	3.5
1965	21.4	8.1	5.8	2.6	.5	.5	4.0
1966	23.8	9.0	7.1	2.5	.5	.5	4.2
1967	26.0	9.3	7.9	2.5	.7	.6	5.1
1968	28.5	10.0	8.1	3.2	.8	.8	5.6
1969	29.2	9.9	8.1	2.9	.9	.8	6.6
1970	29.8	10.7	8.1	2.8	.9	.9	6.4
1971	31.4	11.2	8.3	3.3	1.0	.7	6.8
1972	32.2	11.0	8.6	3.4	1.1	.8	7.3
1973	34.9	11.2	9.8	3.9	1.1	.8	8.2

Note.—Details may not add to totals because of rounding.

Source: Paul Schneiderman, "State and Local Government Gross Fixed Capital Formation," in "Survey of Current Business," October 1975, p. 23.

TABLE 4.—COMPARISON OF YIELDS ON CORPORATE AND MUNICIPAL BONDS, 1947-75

[In percent]

Year	Average corporate yield	Average municipal bond yield[1]	Ratio of municipal to corporate bond yields
1947	2.86	1.93	0.675
1948	3.08	2.35	.763
1949	2.95	2.15	.726
1950	2.86	1.90	.664
1951	3.08	1.97	.640
1952	3.19	2.20	.690
1953	3.43	2.73	.800
1954	3.16	2.38	.753
1955	3.25	2.49	.766
1956	3.57	2.80	.784
1957	4.21	3.28	.779
1958	4.16	3.18	.764
1959	4.65	3.58	.770
1960	4.73	3.51	.742
1961	4.66	3.46	.742
1962	4.62	3.14	.680
1963	4.50	3.18	.707
1964	4.57	3.20	.700
1965	4.64	3.28	.707
1966	5.34	3.83	.717
1967	5.82	3.96	.680
1958	6.51	4.47	.687
1969	7.36	5.79	.787
1970	8.51	6.34	.745
1971	7.94	5.46	.688
1972	7.63	5.25	.688
1973	7.80	5.22	.669
1974	8.98	6.19	.689
1975	9.46	7.05	.745

[1] From Bond Buyer, 20 bonds.

Source: "1973 Statistical Supplement to the Survey of Current Business," p. 105, for 1947 through 1972; Federal Reserve Bulletin, February 1976, p. A28 for 1973-75.

PROBLEMS IN THE PRESENT TAX-EXEMPT MARKET

In order to attract investors into the tax-exempt market, interest yields on tax-exempt issues rise to the level where they are equal to the yield after taxes on taxable corporate bonds (assuming the same risk). For individual taxpayers in the 70 percent marginal tax bracket a ratio of tax-exempt to taxable interest rates as low as 30 percent would equal the after-tax yield on a taxable bond. For an individual in the 50-percent tax bracket, the ratio must be at least 50 percent, and the ratio must be 72 percent for a taxpayer in the 28-percent bracket. Table 5 shows the relationship among income tax brackets, taxable bond yields and after-tax yields, which are the rates at which an investor would be indifferent between taxable and tax-exempt bonds, assuming the same risk.

TABLE 5.—AFTER-TAX YIELD ON TAXABLE BONDS, BY SELECTED INCOME TAX BRACKETS

[In percent]

Income tax bracket	Taxable bond yields					
	10	9	8	7	6	5
70	3.0	2.7	2.4	2.1	1.8	1.5
60	4.0	3.6	3.2	2.8	2.4	2.0
50	5.0	4.5	4.0	3.5	3.0	2.5
40	6.0	5.4	4.8	4.2	3.6	3.0
35	6.5	5.9	5.2	4.6	3.9	3.2
30	7.0	6.3	5.6	4.9	4.2	3.5

Because there are relatively few persons in the highest tax bracket, it is necessary to increase the yield on tax-exempt issues relative to taxable corporate issues substantially above the 30-percent ratio in order to attract sufficient investors. The higher yield on tax-exempt bonds (relative to the after-tax yields on taxable issues) attracts the more numerous taxpayers in the somewhat lower marginal tax brackets who then find tax-exempt issues desirable investments. This usually occurs as the volume of tax-exempt offerings increases. This also usually means that tax-exempt bonds are a larger share of total issues offered, and this in turn means that the ratio of tax-exempt to taxable interest rates probably increases to attract individual investors with lower marginal tax rates.

However, as the differential between tax-exempts and taxables is reduced in order to attract new investors, the higher tax-bracket investors receive a windfall since they would hold tax-exempt bonds even at a lower rate of interest. The amount of the windfall is the difference between the interest yield that would be sufficient to stimulate their purchase of a tax-exempt issue and the higher current market interest yield that was subsequently necessary to bring the additional investors from a lower tax rate bracket into the tax-exempt bond market. The greater the difference between the current market interest rate and the interest rate which would just induce an investor to purchase tax-exempt issues, the greater is the windfall return to the investor.

The graph on chart I, which shows the fluctuations in the municipal-corporate bond yield ratios (listed in the third column of table 4) illustrates this point. The bottom line which is drawn at the 30-percent ratio shows the ratio at which an individual taxpayer in the 70-percent marginal tax bracket would be indifferent between taxable and tax-exempt issues, that is, his after-tax yield is identical for both types of issues. For a corporate taxpayer, the indifference ratio is 52 percent, in terms of the statutory tax rate for taxable income over $25,000 (over $50,000 in 1975 and 1976). For a corporation with an effective tax rate below 48 percent, the indifference ratio would be lower. For each year covered by the graph, the windfall (or subsidy) element is the difference between the ratio and the indifference line, and the windfall varies as the ratio rises and falls.

State and local governments often prefer longer-term issues to finance long-term projects and, as a result, the interest yields and the ratios of tax-exempt to taxable yields tend to be higher on these issues. Consequently, the windfall received by some taxpayers at these yields is higher, but in the existing situation these yields are necessary to attract sufficient numbers of individual investors to the tax-exempt market.

In the past, individuals have not always been major purchasers of tax-exempts, but in 1969, 1974 and 1975, as can be seen in table 6, individuals purchased more than half of the net new issues that were marketed. In 1969, individuals purchased virtually all of the net new issues.

TABLE 6.—ACQUISITIONS OF ANNUAL NET ISSUES OF STATE AND LOCAL GOVERNMENT BONDS, BY TYPE OF HOLDER, 1960-76

[In billions of dollars]

	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975
Total	5.3	5.1	5.4	5.7	6.0	7.3	5.6	7.8	9.5	9.9	11.2	17.6	14.4	13.7	17.4	15.4
Households	3.5	1.2	−1.0	1.0	2.6	1.7	3.6	−2.2	−.8	9.6	−.8	−.2	1.0	4.3	10.0	10.1
Corporate business	−.3	(1)	.3	1.1	−.1	.9	−1.0	−.3	.5	−1.0	−.6	1.0	1.0	−.1	.6	−.2
State and local government general funds	(1)	(1)	−.2	−.2	−.1	−.1	(1)	.....	(1)	.1	.2	−.3	.2	.2	.2	−.1
Commercial banking	.6	2.8	5.7	3.9	3.6	5.2	2.3	9.1	8.6	.2	10.7	12.6	7.2	5.7	5.5	1.3
Mutual savings banks	(1)	(1)	−.2	−.1	(1)	−.1	−.1	(1)	(1)	(1)	(1)	.2	.5	(1)	(1)	.6
Life insurance companies	.4	.3	.1	−.2	−.1	−.3	−.4	−.1	.2	(1)	.1	.1	(1)	(1)	.2	.6
State and local government retirement funds	.2	−.1	−.5	−.5	−.4	−.3	−.1	−.1	(1)	−.1	−.3	.1	−.1	−.6	−.6	1.1
Other insurance companies	.8	1.0	.8	.7	.4	.4	1.3	1.4	1.0	1.2	1.5	3.9	4.8	3.9	1.8	2.1
Brokers and dealers	.1	−.1	.2	(1)	.2	−.2	(1)	(1)	(1)	−.2	.6	.1	−.1	.2	−.4	−.1

[1] Less than $50,000.

Source: Federal Reserve flow of funds data.

Because of the attraction of tax exemptions, commercial banks and insurance companies (chiefly casualty and some life insurance companies) have been major sources of funds for these bonds. Commercial banks have been the dominant purchasers, holding about 45 percent of the outstanding issues at the end of 1975. (See table 7.) They have purchased half or more of the net new issues in most of the years since 1960 (table 6). Since the statutory rate on corporate taxable income is 48 percent, yields on tax-exempt bonds need to be only slightly above 52 percent of taxable bonds to attract commercial banks.

TABLE 7.—OWNERSHIP OF MUNICIPAL SECURITIES YEAREND OUTSTANDINGS, SELECTED YEARS

[Dollar amounts in billions]

Year	Total	Households		Commercial banks		Nonlife insurance		All other	
		Billions of dollars	Percent of total	Billions of dollars	Percent of total	Billions of dollars	Percent of total	Billions of dollars	Percent of total
1960	$70.8	$30.8	43.5	$17.7	25.0	$8.1	11.4	$14.2	20.1
1965	100.3	36.4	36.3	38.9	38.8	11.3	11.3	13.7	13.7
1970	144.5	45.6	31.6	70.2	48.6	17.8	12.3	10.9	7.6
1974	204.1	60.3	29.6	100.3	49.2	30.7	15.1	12.8	6.3

Source: Federal Reserve Board, flow of funds data.

However, commercial banks have a strong preference for assets with short-term maturities, i.e., less than 5 years, because their liabilities also are short-term. As a result, they dominate the short-term tax-exempt market, and the ratio of yields on short-term issues generally has averaged around 52 percent. State and local governments which have substantial portions of their outstanding debt in short-term issues find themselves particularly vulnerable to short-term money market fluctuations, especially when the markets are characterized by high interest rates and/or tight money. Also, the larger the proportion of long-term issues (i.e., a longer average maturity) for any given volume of debt, the smaller the amount of annual refundings. This also means a reduced vulnerability to short-term money market changes.

With a shorter average maturity of debt that requires refunding, the local government must re-enter the money market more frequently and for greater amounts of money. In tight money periods, the larger amounts that must be raised add to the tightness of the general monetary situation. The higher rates of interest prevalent at such times raise the interest costs and also may force many governments up against statutory ceilings on rates of interest that may be paid. With a longer average maturity of the debt, although refundings will encounter identical money market conditions, a smaller proportion of the debt will require refinancing at those times. As a result, a smaller proportion of the debt is liable to encounter risks of a tight market in any year,

and the borrowing structure of the government has more flexibility and diversity which enables it to better protect itself against tight money, recessions and other forms of financial stress.

The budget of a government can be affected adversely by having to incur substantial borrowings when interest rates are high. With a given level of revenues, the higher debt service charges caused by the high interest rates reduce the amount of funds that can be spent for other local programs. At the municipal government level, the local programs basically are education, public safety and human welfare where the costs normally are not characterized by much flexibility. In addition, a relatively short average debt maturity is more burdensome for local governments in recessions where they may find it necessary to borrow to meet revenue shortfalls—in addition to necessary refinancing—or must reduce local outlays because the relative burden of debt service has reduced their fiscal flexibility.

Another important effect of the present tax-exempt financing arrangements is that the markets for State and local bonds are largely closed for certain classes of institutional investors for whom long-term bond issues with relatively high long-term rates otherwise would be desirable investments because of the relatively low risk generally associated with such issues. However, these organizations (largely retirement and pension funds and charitable, religious and educational institutions) do not purchase many tax-exempt issues because the income on their investments is also tax-exempt. These bonds would be attractive to these organizations, however, if they were taxable and had higher yields, because of their relative safety and the opportunity they would present for greater diversification of risk in their investment portfolios.

PROPOSALS AND PREVIOUS COMMITTEE ACTION

Several proposals have been made to provide a taxable bond with an interest subsidy by the Federal Government as an alternative to tax-exempt financing of State and local government capital outlays. The differences among these proposals primarily involve the rate of the Federal Government interest subsidy to be allowed; the existence and identity of Federal requirements or conditions to be imposed in order to qualify for the interest subsidy; the manner in which the Federal interest payments should be made; and the proper treatment of the Federal funds to pay this interest under the new Congressional budget procedures.

1969 House proposal

In 1969, the House version of the 1969 Tax Reform Act included a Federal subsidy for taxable bonds that could be issued at the election of the State or local government. The Federal subsidy was to vary between 25 and 40 percent of the yield on the taxable bond (between 30 and 40 percent prior to January 1, 1975). The subsidy ratio was to be determined quarterly by the Secretary of the Treasury, who would set the rate after considering the relationship of tax-exempt and taxable yields in view of prevailing money market conditions. No other requirements or conditions were established for any State or local obligation to be eligible for the Federal interest payment if taxable bonds were issued. A "dual coupon" system could be elected under which the Federal share of the interest payment would be paid directly to the bondholder through a separate coupon. This amount was to be paid even if the issuing government defaulted on its interest payment. A permanent appropriation was to be established for Federal subsidy payments.

Treasury proposal

In 1973 and again this year the Treasury Department has recommended an elective taxable bond alternative with a fixed subsidy of 30-percent of the net interest cost. If that net interest cost exceeds 12 percent, however, no interest subsidy would be paid on the excess. The subsidy would be adjusted to reflect any discount or premium and Federal administrative expenses. The subsidy would be assured for the life of the issue, irrespective of any changes in the law that affect subsequent issues. Only obligations presently eligible for tax exemption (under section 103(a)(1) which are issued through competitive public offerings (rather than negotiated directly with the lenders) would be eligible for the taxable option. Obligations maturing within one year, those with unrealistically high net interest expenses (as determined by the Treasury Department), and those held by State and local governments or by agencies owned in part or all by the Federal Government would also not be eligible. In most cases the subsidies could be obtained automatically through certification that the statutory requirements were fulfilled. The interest subsidy would be paid directly to the paying agent of the issuing government without any dual coupon option as in the 1969 bill. Treasury's proposal makes no recommendation regarding how the appropriation of funds for the interest subsidy should be provided.

H.B. 11214 (introduced by Mr. Reuss) and S. 2800 (introduced by Senator Kennedy)

Each of these bills establishes a 40 percent fixed Federal interest subsidy for taxable State and local debt obligations. Each bill extends the subsidy to any taxable State or local bonds, other than those guaranteed by the Federal Government, which would otherwise qualify for tax exemption under the code (sec. 103(a)). Issuing governments are given an entitlement to whatever Federal funds are needed to finance interest payments. The funds to fulfill the entitlement are to be appropriated annually. Payments are to be made to the issuing State or local government or to a paying agent of the issuing government. The bill also establishes a Municipal Technical Assistance Office within the Department of Housing and Urban Development to undertake research and to provide technical assistance to State and local governments concerning municipal capital market management and budgetary planning.

H.R. 12774 (introduced by Mr. Ullman and Mr. Conable)

This bill establishes an election in the Internal Revenue Code for State and local governments to issue taxable bonds and other debt obligations with the Federal Government paying 35 percent of the net interest cost. All State and local obligations (other than industrial development bonds and arbitrage bonds), which are or would be exempt from tax under the code, are to be eligible for this taxable bond alternative. However, obligations held by related entities (such as related pension funds) are to be eligible for the election only if those obligations are issued through a competitive public offering. The bill establishes an entitlement to the Federal funds needed to finance the interest payments. Funds are to be appropriated annually to fulfill the entitlement. The Federal interest subsidy is to be paid to an issuing government (or its paying agent) which will act as paying agent for the Federal Government. The Federal Government is not to be liable for its portion of the interest until the issuing government pays the remaining interest.

AREAS FOR COMMITTEE CONSIDERATION

Economic impact of subsidized taxable bond alternative

Impact on State and local government taxable bond issues.—If a taxable bond option were available, State and local governments could be expected to issue them, other things being equal, as long as the interest rate they have to pay minus the Federal subsidy is less than (or equal to) the interest rate they would have to pay if they issued tax-exempt securities. For example, a State and local government that had to pay 6 percent on its tax-exempt securities would be indifferent between tax exempt obligations and taxable obligations with a 35 percent subsidy if the interest rate on the taxables were 9.2 percent (9.2 percent minus the 3.2 percent resulting from the 35-percent Federal subsidy leaves a net cost of 6 percent to the State or local government). If the interest rate on the taxable bond is less than 9.2 percent, the State and local governments would prefer taxable issues.

Taking into account actual market yields, tax-exempts currently are yielding about 6 percent, and taxable corporate bonds currently are yielding slightly over 9 percent. Probably taxable State and local government bonds would initially (although probably not in the long run) require a slightly higher interest rate than would corporate securities. Therefore, given the present corporate rate of about 9 percent, it is reasonable to expect that with a 35-mile subsidy the taxable State and local bond interest rate would reach an equilibrium somewhere between 9 and 9.5 percent. This means that taxable State and local securities would be attractive to State and local governments but would not be so attractive as to induce State and local governments to switch entirely to taxable issues. The Treasury staff and the Joint Committee staff have estimated that with a 35-percent subsidy rate approximately $200 million worth of short-term and $2.9 billion of long-term taxable bonds would be issued in the first full year. This and similar estimates for other subsidy rates are shown in table 8 below.

TABLE 8.—ESTIMATED AMOUNT OF TAXABLE MUNICIPAL BONDS ISSUED, TAXABLE INTEREST, INCREASED FEDERAL INCOME TAX LIABILITY AND AMOUNT OF FEDERAL SUBSIDY, BY SUBSIDY RATE (1ST FULL YEAR EFFECT)

[Millions of dollars]

Subsidy rate	Average tax rate on taxable interest (percent)	Short-term maturities				Long-term maturities				Total		
		Amount of taxables issued	Taxable interest (0.075)	Tax	Treasury subsidy	Amount of taxables issued	Taxable interest (0.092)	Tax	Treasury subsidy	Tax	Treasury subsidy	Net cost to the Treasury
30 percent	25.0					1,400	128.8	32.2	38.6	32.2	38.6	6.4
35 percent	27.5	200	15.0	4.1	5.3	2,900	266.8	73.4	93.4	77.5	98.7	21.2
40 percent	30.0	500	37.5	11.3	15.0	4,500	414.0	124.2	165.6	135.5	180.6	45.1
45 percent	32.5	1,000	75.0	24.4	33.8	6,200	570.4	185.4	256.7	209.8	290.5	80.7
50 percent:												
Individual	35.0	1,500	112.5	39.4	56.3	7,200	662.4	231.8	331.2	271.2	387.5	
Corporate	48.0	13,000	975.0	468.0	487.5	6,500	598.0	287.0	299.0	755.0	786.5	
Total		14,500	1,087.5	507.4	543.8	13,700	1,260.4	518.8	630.2	1,026.2	1,174.0	147.8

The estimated reduction in State and local interest costs resulting from the taxable subsidy program (discussed more fully below in the section on "Benefits and Market Adjustments") is shown in the bottom row of table 9 below.

TABLE 9.—ANNUAL COSTS AND BENEFITS OF TAXABLE MUNICIPAL BOND PLAN WITH 35 PERCENT SUBSIDY

[Millions of dollars]

	Total for 10 years	Year									
		1	2	3	4	5	6	7	8	9	10
Gross subsidy cost	6,327	99	202	311	425	545	671	803	942	1,088	1,241
Revenues generated	4,970	77	159	244	334	428	527	631	740	855	975
Net subsidy cost	1,357	21	43	67	91	117	144	172	202	233	266
Reduction in State and local interest costs	10,053	157	321	494	676	866	1,066	1,276	1,497	1,728	1,972

Impact on bond purchasers.—The likely composition of investors in State and local taxable securities depends primarily on the level of interest subsidy chosen. At a 35-percent subsidy rate, it is estimated that approximately 70 percent of securities of the taxable State and local issues will be held by taxable investors and about 30 percent by tax-exempts. Thus, the success of such a program does not depend on a large influx of tax-exempt organizations into the State and local bond market. The estimated ownership pattern among the major holders of State and local securities is shown in Table 10 below.

TABLE 10.—ESTIMATED SALES OF NEW MUNICIPAL BONDS BY MATURITY STRUCTURE AND BY MAJOR CLASS OF PURCHASERS

[In millions of dollars]

	Maturity (years)		
	1 to 15	15 and over	Total
Purchaser:			
Banks	12,000	3,000	15,000
Households	2,000	8,500	10,500
Insurance companies	1,000	3,500	4,500
Total	15,000	15,000	30,000
Assumed yields:			
(a) Tax exempt issues	.05	.069	
(b) Taxable issues	.075	.092	
(c) Ratio a/b	.67	.75	

The taxable bonds paying a significant interest rate will, however, attract some tax-exempt investors regardless of the level of interest subsidy. In part, this is because of the portfolio preferences of some tax-exempt investors compared to taxable investors. For example, banks appear to be reluctant to increase the proportion of their assets held in the form of State and local securities because it is dangerous to have too large a portion of one's portfolio in long-term assets which are backed up by short-term deposits. On the other hand, pension funds are engaged in long-term commitments on the liability side, and they have less reluctance to carry long-term investments on the asset side. Therefore, some broadening of the market for State and local government securities will probably be provided by tax-exempt organizations. But the bulk of the securities will still be purchased by taxable entities, such as banks, insurance companies, and individuals.

Cost to Treasury.—Treasury and the Joint Committee staff estimate that the first-year cost to the Treasury of a 35-percent subsidy rate program, which would result in the first-year issuance of $3.1 billion worth of taxable securities, would be $98.7 million. This figure is shown on the next to the last column on table 8. If $3.1 billion of taxable securities are issued at a 9-percent interest rate, about $280 million of taxable interest will be generated. Assuming bondholders have a 27.5-percent average tax rate, the tax revenue from these bonds will be $77.5 million a year, which leaves a net cost to the Treasury of $21.2 million. Table 8 shows these calculations under a 35-percent subsidy and comparable calculations at other subsidy rates. With a gross subsidy at a 35-percent rate, the tax revenues generated and the net subsidy cost to the Treasury are shown for a 10-year period in table 9.

Benefits and Market Adjustments.—One purpose of a taxable bond alternative with a Federal subsidy is to provide lower borrowing costs to State and local governments in a more efficient manner than through a tax exemption alone. This is accomplished principally by reducing the windfall gain to tax-exempt bondholders (as discussed above) and thereby transferring a larger portion of the lost Federal revenues from the tax exemption to State and local governments rather than to the high-bracket taxpayer who holds tax-exempt securities. In effect, what would happen is that as some taxable bonds are issued instead of tax-exempts, competition for buyers in the tax-exempt market will be reduced and thus interest rates on tax-exempt obligations will be relatively lower. Holders of tax-exempt securities will have their windfall reduced, and issuers of tax-exempt securities will pay lower interest costs. The effect of lower interest costs is shown in table 9.

This indicates the estimated size of the reduction in State and local interest costs under a 35-percent subsidy proposal. For example, the first-year estimate shows a reduction in State and local interest costs of $157 million of which $99 million is the direct subsidy and another $58 million is the general reduction in tax-exempt interest rates. Thus, at a net cost to the Federal Government of $21.2 million, the program is expected to generate savings to State and local governments of $157 million.

However, there has been some concern expressed about the impact that market shifts, induced by a taxable bond alternative, might have on financial markets generally and on the market for tax-exempt and taxable securities. Specifically, two major concerns have been expressed. The first is that the tax-exempt market would be eliminated and the second is that any possible savings of State and local governments from an interest subsidy (and any reduction in tax-exempt interest rates) would be offset in other parts of the economy by a rise in interest rates on taxable securities.

As discussed above, the first development is not likely to occur. The staffs estimate that only $3.1 billion out of $30 billion of annual State and local government offerings would shift over to the taxable bond market. This is only 10 percent of the total tax-exempt market, but it can be expected to have a fairly significant impact on the interest rate for tax-exempt securities, generating substantial savings to State and local governments over and above the savings resulting directly from the subsidy.

On the other hand, the transfer of $3.1 billion of funds to the taxable securities market is unlikely to have any significant effect on that market or the interest rates prevailing in the market. The flow-of-funds data indicate that the estimate for 1976 of the total amount of funds to be raised in 1976 is $252.5 billion (see table 11). Subtracting from $252 billion the estimated net new financing of State and local government issues of $13.5 billion reduces the total demands on the market to about $239 billion. The transfer of approximately $3.1 billion from the tax-exempt to the taxable market represents an additional $3 billion to a base of $239 billion, or 1.3 percent. This is likely to have a minimal impact on the interest rates in the taxable securities market.

It would thus appear that the taxable bond subsidy provides a larger amount of the benefits to the State and local government per dollar of cost to the Treasury than does the present system. Under the present system, it costs the Federal Government approximately $1.50 in foregone tax revenue to provide $1 of benefits to the State and local governments. This is a State and local-Federal benefit-cost ratio of 1 to 1.5. As indicated above, under the taxable bond subsidy, the State and local-Federal benefit-cost ratio is estimated to be 7.1 to 1.

Essentially, the taxable bond subsidy transfers to the States and local governments an important part of the windfall (or consumer surplus) presently being received by the higher tax bracket taxpayers who are receiving an interest rate substantially higher than that necessary to induce them to purchase tax-exempt securities because of the necessity to have a high enough rate to attract lower tax bracket taxpayers. The taxable bond subsidy, in effect, reduces the size of this windfall both by reducing the rates on tax-exempt securities and by reducing the amount of tax-exempt securities sold and transfers this benefit to the State and local governments in the form of a subsidy. In turn, the Federal Government is reimbursed for the majority of the subsidy through tax revenues derived from the taxable issues induced by the subsidy.

Permanence of taxable bond subsidy program

If any taxable bond alternative is to be attractive to a substantial number of State and local governments, it must contain assurances that the funds required to finance the Federal interest subsidy will be available in a timely fashion. The simplest way to provide this assurance under the new Congressional budget procedures would be to establish in the legislation an entitlement for State and local governments to the amount of appropriations necessary to pay the full accrued cost of the interest subsidy. The assurance given by this entitlement is that if no funds are appropriated, State and local governments have the right to sue the United States in court to obtain the necessary funds under the entitlement. Thus, annual appropriations of the necessary funds would become virtually automatic. This approach is followed in H.R. 12774.

TABLE 11.—THE FLOW OF FUNDS THROUGH THE U.S. CREDIT MARKETS

[In billions of dollars]

	1972	1973	1974	1975 [1]	1976
Total funds raised	198.3	239.4	218.1	209.0	252.5
U.S. Government	17.3	9.7	12.0	82.0	70.0
Federal credit agencies	6.2	19.6	22.1	8.0	10.0
State and local governments	14.2	12.3	16.6	13.5	13.5
Households	63.1	72.8	44.0	46.5	71.5
Mortgages	39.8	45.6	34.0	34.8	44.0
Other	23.3	27.2	10.0	11.7	27.5
Corporate business	55.3	67.2	77.1	32.0	51.0
Bonds, mortgages, and equities	39.2	34.5	36.3	46.0	34.0
Other	16.1	32.7	40.9	−14.0	17.0
Noncorporate and farm business	15.3	17.9	15.0	9.5	14.5
Financial sectors	22.7	32.4	15.9	4.5	12.0
Foreign	4.3	7.5	15.4	13.0	10.0
Total funds advanced	198.3	239.4	218.1	208.0	252.5
U.S. Government	2.6	3.0	7.4	11.0	10.0
Federal credit agencies	7.0	20.3	24.1	9.0	11.0
State and local governments	3.6	0.4	.3	4.0	5.0
Households	1.1	21.5	22.1	11.0	24.0
Corporate business	2.6	7.9	7.5	16.0	9.0
Noncorporate business	1.1	1.3	.9	1.0	1.0
Foreign	10.7	3.5	12.1	8.0	8.0
Insurance companies	20.4	20.6	20.6	22.0	23.0
Pension funds	14.3	16.4	20.4	26.5	29.0
Thrift institutions	49.9	35.4	27.0	58.0	46.0
Other financial	16.1	18.9	11.3	−3.5	10.0
Federal Reserve System	.3	9.2	6.2	8.5	9.0
Commercial banks	68.8	80.9	58.2	37.5	67.5

[1] Forecast.

Source: Kidder, Peabody & Co., Inc.

Some representatives of State and local governments fear that the Congress might some year decide not to pay the subsidies on taxable bonds that have already been issued. This, of course, would be a breach of faith on the part of the Congress and Congress has not acted this way in the past. More importantly, entitlement programs impose legal obligations on the Federal Government which can be enforced in the Federal court of claims.

Types of eligible obligations

The types of tax-exempt obligations issued by or through State and local governments include general obligations bonds, revenue bonds, short-term loans (most frequently tax or revenue anticipation notes) from banks, some industrial development bonds, and certain obligations issued for housing and other special purpose programs where one of several statutes (other than the Internal Revenue Code) provides for tax exemption.

It has been argued that the tax exemption for interest on these obligations is the equivalent of a Federal interest subsidy, and that as a result under any taxable bond alternative all obligations eligible for the tax exemption should be eligible for the Federal interest subsidy. On the other hand, the Federal Government has already provided limits on the extent to which tax exemption is to be provided, and there would seem to be no requirement that in providing a new taxable bond option, this program be extended to bonds such as industrial revenue bonds. Moreover, it would appear that industrial development bonds could be denied the subsidy because the primary benefits of these bonds go directly to private businesses. In any case the industrial revenue bonds will gain from the fact that tax-exempt bonds generally will bear a lower rate of interest.

In addition, obligations that are exempt through statutory provisions outside of the Code could be denied eligibility because any direct subsidy for these obligations might be more appropriately authorized through the legislation relating to the programs involved.

A separate problem arises in determining what State and local obligations should be eligible for the taxable bond election where an obligation (especially a note) is held by an entity which is related to the issuing government. For example, a local government could issue a note or bond to its local pension fund, or a State government could issue a note to its local government, with the recipient of the note obtaining a Federal interest subsidy. Particularly if these transactions involve no real transfer of funds or reflect less than arm's-length terms, the potential for abuse exists.

A provision which denied eligibility to any obligations held by related entities would prevent the possibility of abuse in this area. However, it would also prevent legitimate investors, such as government pension funds, which have a definite stake in the finances of their own governments, from owning any of their related governments' bonds.

A different approach would be to allow only obligations with a term of one or more years to be eligible for the subsidy (since most loans between related entities involve short-term obligations). However, this limitation alone would not end the possibility of abuse to the extent longer-term issues are involved. Moreover, it would prevent legitimate arm's-length borrowings, such as tax anticipation loans with banks, from being eligible for the interest subsidy.[2]

Alternatively, the committee may be interested in allowing related entities (including pension funds) to invest in taxable obligations only if those obligations are distributed through competitive public offerings (under which independent underwriters submit competitive bids for the right to sell the bonds and the issuing government accepts the lowest substantive bid) and then only if a substantial portion of the obligations are sold to unrelated entities. The argument for this approach is that the public offering process insures that the terms of any issue are set at arm's-length, particularly where the process results in a number of unrelated parties purchasing the obligations.

Under this approach (which is followed in H.R. 12774), however, revenue bonds as well as privately negotiated notes issued as taxable obligations could not be held by related entities, since they are normally not distributed through a public offering. But general obligation bonds, which are in many cases distributed through a public offering, could often be held by related entities.

Subsidy payment liability and procedures

Generally, two alternative plans for distributing Federal interest subsidy payments have been proposed. The 1969 House proposal would have established an elective dual coupon system for taxable bonds, under which the holder of the bond would be paid separately by the Federal Government and by the issuing government. The Federal Government was to be liable for its payment whether or not the issuing government had paid the interest it owed.

The double coupon approach with a fixed U.S. liability for its interest portion may have the effect of improving the credit rating of the issuing government because the Federal guarantee of its interest portion may have the effect of improving the credit rating of the issuing government since the Federal guarantee of part of the interest liability should decrease the risk on payment of part of the interest. To avoid this result H.R. 12774 and the Treasury proposal do not make the Federal Government liable for its interest payment unless and until the issuing government's interest portion has been paid.

Under H.R. 12774 the Federal payment is to be made to the issuing government (if it acts as its own paying agent) or to its paying agent. Under the Treasury proposal payment is made only to an outside paying agent. Thus, any issuing government which ordinarily acts as its own paying agent would have to obtain an outside agent if it issues taxable bonds.

[2] Treasury has argued that this limitation is also desirable because it presents unnecessary administrative expenses. Also, it may be argued that a direct subsidy on obligations with maturities of less than 1 year is unnecessary since the differential between the interest rates on tax-exempt obligation and taxable obligations is greatest on these short-term obligations except in periods of extremely tight credit.

RECESS UNTIL 12:55 P.M.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate stand in recess until 12:55 p.m. today.

There being no objection, the Senate, at 12:32 p.m., recessed until 12:55 p.m.; whereupon, the Senate reassembled when called to order by the Acting President pro tempore.

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

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

The assistant legislative clerk proceeded to call the roll.

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

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

CONSIDERATION OF AMENDMENTS SUBMITTED TO THE PRESIDING OFFICER PRIOR TO A CLOTURE VOTE

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of Senate

Resolution 268, which will be stated by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 268) to amend rule XXII of the Standing Rules of the U.S. Senate to provide for the consideration of amendments submitted to the Presiding Officer prior to a cloture vote.

The Senate resumed the consideration of the resolution.

Mr. GRIFFIN. Mr. President, the Senator from Massachusetts has an amendment which he will be offering, and pending his arrival on the floor I would like to express my concern about the proposed change in the rules that is before the Senate.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the time the Senator consumes not be charged against anyone on this measure, with the limitation not to exceed 15 minutes.

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

Mr. GRIFFIN. I thank the Senator.

Mr. President, I do not think this is going to be the most important issue that the Senate is ever going to consider, but I do believe there is an important principle involved. I think that one of the basic questions involved is whether or not we want to make it as easy as possible to invoke cloture.

If Senators know what they are voting on, if they know what the circumstances are, it seems to me they would be more likely to invoke cloture than if they do not know what amendments are at the desk.

At the present time, under rule XXII, for an amendment to be qualified and be considered after the invocation of cloture the Senator must have presented the amendment to the desk and it must have been read to the Senate prior to the vote on cloture.

That is a pretty good rule. The main purpose of the rule is to give the Senate notice of the amendments that will be presented to the Senate in the event debate is cut off.

We have run into the problem that some Senators from time to time, through inadvertence or otherwise, not perhaps being familiar with the rules, have had amendments and did not present them in a timely way. Thus, they would not qualify because they were not read.

The Rules Committee considered this at the request of the Senator from Massachusetts (Mr. KENNEDY) and we reported an amendment to rule XXII which would provide that an amendment would qualify if it was submitted to the clerk and read, as it now is, or if it was submitted in writing 30 minutes prior to the vote—the 30 minutes prior to the vote being to get around the requirement that it be read, but at least it would be available at the desk 30 minutes in advance so that Senators would know what amendments were there.

But the Senator from Massachusetts, at least on yesterday, was not satisfied to have even a 30-minute requirement. As I understand it, one of his amendments will require, or seek to provide, that any amendment would qualify if submitted in writing at any time prior to the sounding of the warning bell, during the course of the vote.

So we really come down to the question of whether we want the Senate to have any notice at all. If notice is not important, then, of course, it does not matter whether it is presented at the beginning of the vote or at the end of the vote or anytime at all.

But I submit to the Senate that we will have fewer successful efforts to close off debate if we change this rule in such a way that the Senate cannot know what it is voting on.

If we adopt the change which the Senator from Massachusetts seeks, it will mean that during the vote, presumably, a Senator can go up to the desk and dump 15 or 20 amendments before the clerk and they will qualify. Senators will go ahead and vote without knowing what those amendments are.

They may be questionable as far as germaneness is concerned, we may have to guess as to what the Presiding Officer will rule with regard to germaneness, but, most important, we will not even know what the amendments are.

I think that the requirement of the reading of the amendments prior to the vote on cloture had some purpose and was a legitimate requirement. If we are going to make an exception to the requirement that an amendment be read, then it seems to me at least there ought to be a procedure whereby Senators could, in some fashion other than reading, have notice of what amendments are at the desk.

If I may have the attention of the Senator from Alabama and perhaps the majority whip, I have thought about this overnight and I do concede that the idea of a 30-minute requirement prior to the vote has some problems. We do not know when that time would begin, because we do not know how long it would take to ascertain the presence of a quorum.

It would be my suggestion, and now that the Senator from Massachusetts is in the Chamber, I would also direct it to him, that we consider an alternative that amendments be in writing and presented prior to the beginning of the mandatory rollcall to ascertain the presence of a quorum. That would be a time fixed and certain, and during the time that the quorum was being established, whether it is 5 minutes or 15 minutes or 20 minutes, at least there would be some time period when Senators could go to the desk and determine what amendments would be involved if they vote for or against cloture.

Now that the Senator from Massachusetts has arrived I am glad to yield the floor to him for whatever action he may wish to take at this time.

Mr. President, I yield the floor to the Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I would like to have the attention of the Parliamentarian.

Is it appropriate now to send a perfecting amendment to the desk?

The PRESIDING OFFICER. It is appropriate.

Mr. KENNEDY. Mr. President, I send a perfecting amendment to the desk on behalf of myself and the distinguished Senator from Oklahoma (Mr. BARTLETT).

The PRESIDING OFFICER. The amendment will be stated

The assistant legislative clerk read as follows:

The Senator from Massachusetts (Mr. KENNEDY) for himself and Mr. BARTLETT proposes an amendment:

In lines 8 through 11 of the Committee amendment, strike out the phrase "unless the same has been presented and read prior to that time or submitted in triplicate in printed or typed form to the Presiding Officer thirty minutes prior to the beginning of the vote" and insert in lieu thereof the following: "unless the same has been submitted in writing to the Presiding Officer prior to the end of the vote".

The PRESIDING OFFICER. There is to be one-half hour on this amendment, equally divided between the Senator from Massachusetts and the Senator from Michigan.

Mr. KENNEDY. Mr. President, I think all of us are very much aware of the very considerable amount of discussion and debate that has gone into the formulation of the cloture rule. This is a matter that has been debated and discussed at great length, usually at the beginning of each Congress. It is one of the rules which is of the highest importance and consequence in terms of the orderly procedure in the legislative function in which we participate as Members of the Senate.

The amendment which Senator BARTLETT and I offer today is a very simple amendment. It is devised primarily to avoid a roadblock or what we consider to be an arbitrary provision of part of the present cloture rule, the part which requires any amendment to be read at the desk prior to the time of the cloture vote, if the amendment is to be eligible for consideration after cloture.

It is interesting that in reviewing the history of the cloture rule, we have not been able to find an occasion where there has been an objection to a unanimous-consent request to waive this requirement that all prospective amendments must be read. Almost without exception, before a cloture vote the parliamentary situation has been that the leader or his designee says, "I ask unanimous consent that all amendments be considered to have been read for purposes of rule XXII."

There has never been an occasion when that request has been objected to.

Yet, there have been circumstances where the failure to comply with this reading requirement has blocked the opportunity for the Senate to consider important amendments after cloture. The clearest recent example was at the end of this past year, on an amendment that was offered by my colleague, the Senator from Massachusetts (Mr. BROOKE).

Mr. President, we had a brief debate on this issue yesterday afternoon, in which I discussed various questions and inserted various materials in the RECORD. Rather than dwelling on the issue again

at length at this time, I would refer Members to yesterday's proceedings in the RECORD.

I think we have already agreed on two technical issues in the committee proposal—the requirements that amendments be submitted in printed or typed form, and that they be submitted in triplicate. I believe we all agree that handwritten amendments should qualify, and that only the original of the amendment need be submitted.

The only remaining issue, which we could not resolve yesterday is the cutoff time by which amendments must be submitted in advance of a cloture vote.

Mr. President, there are essentially five choices before us on the cutoff issue. I have put on each Senator's desk a brief summary of those choices. I ask unanimous consent that the list may be printed in the RECORD at this point.

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

CHOICES FOR DEADLINE FOR SUBMISSION OF AMENDMENTS BEFORE CLOTURE

SENATE RESOLUTION 268

The principal issue in S. Res. 268 is the deadline by which Senators must hand in amendments to the Presiding Officer before a cloture vote, in order that the amendments may be eligible for consideration after cloture. The principal choices are:

1. Thirty Minutes Before the Vote (Rules Committee Version).

2. Beginning of the Vote.

3. Warning Bell.—amendments could be submitted until the warning bell (7½ minutes left in the vote). This would let Senators come to the floor with amendments during the vote. It would let Senators see amendments before they vote on cloture, if they wish to do so.

4. End of Vote (Kennedy-Bartlett Amendment).—amendments could be submitted up until the vote is announced. This lets Senators come to the floor with amendments at the end of the vote.

5. After the Vote.—amendments could be submitted even after cloture. This allows new amendments to be drafted after cloture, without restricting votes to amendments already introduced. The germaneness requirement would still keep the debate narrowly restricted. When Senators vote for cloture, they would be on notice that anything germane can be considered. Now Senators tend to draft all possible amendments, including amendments to other amendments, in the hope that they will guess right as to the circumstances after cloture.

The amendment which Senator BARTLETT and I are offering will allow amendments to be handed in up until the end of the cloture vote, that is, prior to the announcement of the vote. Our proposal makes no change in the germaneness rule. To be eligible for consideration after cloture, an amendment would still have to be germane. But so long as it had been submitted in writing before the end of the cloture vote, it could be offered.

I want to stress that point: There still is the rule of germaneness. It is not possible for any amendment to be considered that is not germane. Only germane amendments, obviously, under the other provisions of rule XXII, could be considered.

So any amendment that would be submitted under this rule change would be required to be germane. This provides ample protection for the Senate. It assures each Member that any amendment which would actually be considered subsequent after cloture would have to be germane. No extraneous amendment could be considered.

I know that there may be some, as we discussed yesterday, who feel, "We want to have all amendments available 30 minutes prior to the beginning of the vote." But that would require a special trip to the floor in advance of the vote by any Senator who wants to hand in an amendment.

I also think the Members of this body understand clearly enough that it is not certain when a particular vote may begin, so the time of the cutoff will be unclear.

It could happen that a Member who comes over here 28 minutes prior to the time of the vote would not be able to submit his amendment, even though it may raise some of the most important issues that Congress considers.

Yesterday, we considered whether to set the cutoff at the time when the warning bell rings, 7½ minutes before the end of the vote. But I was reminded by the assistant majority leader that the time of the warning bell is set by the leadership and may vary.

So it does seem to me, if we are interested in eliminating some of the roadblocks—and I consider the reading requirement to be such a roadblock—we ought to use the cutoff in the amendment which is offered by the Senator from Oklahoma and myself, and allow amendments to be handed in any time before the end of the vote.

I think this cutoff best accords with the convenience of the Senate. As each of us know, in so many instances we are back in our offices. We expect a vote at a given time and suddenly the vote comes earlier than anticipated. An early cutoff might preclude us from offering an amendment to the legislation that is being considered.

But we all come to the floor to vote on cloture. Why should we not be able to bring our amendments with us?

I would like to yield to the Senator from Oklahoma, and then I will be glad to debate the issue with the Senator from Alabama.

Mr. ALLEN. I do not mean to debate. I believe I am on the same side.

Mr. BARTLETT. I thank the Senator from Massachusetts and I am very pleased to join with him on this amendment.

I realize that there are those who feel that they want to know precisely what amendments are at the clerk's desk before they cast their vote for cloture or against cloture.

I think in a very practical way that is not the basic issue. As far as I know, everybody in this body favors cloture, but in my mind cloture has often been voted prior to any extended debate. In some cases it has been voted before any debate whatsoever.

I believe the issue is whether or not a Senator is going to have a maximum opportunity to introduce an amendment. In my mind, the whole legislative process is prostituted if there is any interference with the maximum opportunity to offer an amendment.

As a practical matter in the cases that I am familiar with concerning amendments at the clerk's desk, oftentimes they are so long and there is often only one copy so it is impossible for an individual Senator to read the amendment anyway. I think in practice what Senators do in anticipating other amendments on cloture is that they introduce a number of amendments and will bring up that amendment that they think is appropriate, depending upon what the pending business is.

This proposal by the distinguished Senator from Massachusetts will set a time certain, and it will be a time that will be available to everybody. They will be here to vote and they will not have to worry about any interference that their schedule may cause them which would preclude them from the opportunity of introducing an amendment.

I have experienced that. It was not an important amendment to anybody in this body except to me. The one I am thinking of undoubtedly would have lost but at least I would have had the chance to make my record on that amendment. I brought it to the clerk's desk when the vote on cloture was in process. Cloture was voted and the amendment was not accepted.

I think this is a big step forward to maximize the opportunity that each individual Senator has to introduce amendments.

He is going to be here to vote. If he gets here at the last minute he can submit his amendment and in that way have an opportunity to call it up later.

I compliment the distinguished Senator from Massachusetts for a very sound and reasonable amendment to the rules.

Mr. ALLEN. Will the Senator from Massachusetts yield for a question?

Mr. KENNEDY. Yes.

Mr. ALLEN. As I read the amendment of the Senator from Massachusetts and the Senator from Oklahoma, all this really does is to make a part of the Senate rules what is generally gained by unanimous consent. Is that not correct?

Mr. KENNEDY. The Senator is correct.

Mr. ALLEN. In other words, what the Senator is complaining about is that under the rules unless unanimous consent has been given to consider all of the amendments at the desk prior to the announcement of the cloture vote, they must have been presented and read. But unanimous consent invariably has been given on request that all amendments at the desk may be considered as having been read.

All the Senator is doing is striking out the requirement for unanimous consent and putting this rule into effect. It will not change the procedure in the Senate. It will just prevent the situation that might exist if that unanimous consent was not requested and given. Is that correct?

Mr. KENNEDY. The Senator is correct. I appreciate his pointing that out.

Mr. ALLEN. I think the Senator has hit on the best one of the suggested changes, if there is to be a change.

One suggestion I made that the Senator agreed to in one of his other amendments, requiring them to be submitted to the Presiding Officer, ought to be changed because the Presiding Officer changes from time to time. All he could do with the amendments would be to hand them down to the clerk. I wonder if the Senator would agree to modify his amendment to strike out "the Presiding Officer" and put in "the clerk."

Mr. KENNEDY. The Senator makes a valid point.

If the Senator will look at rule XXII, it mentions the Presiding Officer at four different places. There is no mention of the clerk. Our amendment was fashioned in such a way as to conform with the other parts of the present rule XXII. That is the reason for it. I would agree to the logic in the Senator's comment that amendments are going to be submitted to the clerk, but it was to conform the proposal to the rest of rule XXII that we put in "the Presiding Officer." I have no objection to altering it to read to "the clerk," with the clear understanding that the fact that "Presiding Officer" is mentioned in other parts of the rule would in no way affect my amendment.

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

Mr. ALLEN. Yes.

Mr. ROBERT C. BYRD. I hope the Senator from Massachusetts will obtain unanimous consent to modify his amendment to change the words "Presiding Officer" to the "clerk." Where the Presiding Officer is referred to in the other parts of the rule, it has nothing to do with purely ministerial functions. In the other instances, the Presiding Officer is carrying out functions that only a Presiding Officer could carry out and a clerk could not perform.

So I would hope that the Senator would agree to modify his amendment in this way.

Mr. KENNEDY. Mr. President, I ask unanimous consent to so modify my amendment.

The PRESIDING OFFICER. Is there objection?

Mr. GRIFFIN. Mr. President, of course I shall not object, but I wonder if the Senator from Massachusetts——

Mr. KENNEDY. Mr. President, how much time do I have remaining?

Mr. GRIFFIN. I will yield some time from this side, if I may, to comment.

The PRESIDING OFFICER. The Senator from Massachusetts has 4 minutes remaining.

Mr. GRIFFIN. There is a point I would like to raise. Because of a technicality, which I am sure the Senator will not insist upon, the fact that he is amending a committee amendment and his amendment is in the second degree as the situation now stands means there would be a question as to whether I could offer an amendment to his amendment. My amendment would give the Senate the choice between doing and not doing what the Senator from Massachusetts seeks to do or to have done prior to the beginning of the mandatory rollcall to ascertain the presence of a quorum. It seems to me that then the Senate has a clear choice. They want some notice of what the amendments are, or they do not care about notice. If they do not care about notice, if it means nothing, of course, they would vote with the Senator from Massachusetts.

I would like to ask unanimous consent that my amendment may be offered notwithstanding the fact that it would be in the third degree. Does the Senator from Massachusetts object?

Mr. KENNEDY. Mr. President, I would certainly want to comply with the request of the Senator from Michigan. But I do think that it would probably be more appropriate for him to either accept or table our amendment, and then to offer his own proposal as a substitute. His proposal is very different from the one we favor.

Mr. GRIFFIN. It would give the Senate a choice, of course. I mean if Senators voted down my amendment, they would go ahead and vote for the Senator's amendment.

Mr. KENNEDY. I am sure the Senator can understand that it would be my desire to try to get a vote on our amendment initially, and then get a vote on the Senator's proposal subsequently. Certainly, the Senator can offer a substitute for the committee amendment.

Mr. ROBERT C. BYRD. Mr. President, has the Senator from Massachusetts received unanimous consent to modify his amendment to change the words "Presiding Officer" to "clerk"?

The PRESIDING OFFICER. Is there objection?

Mr. GRIFFIN. Have the yeas and nays been ordered?

The PRESIDING OFFICER. They have not been ordered.

Mr. ALLEN. Mr. President, will someone yield me about 3 minutes?

Mr. ROBERT C. BYRD. Has there been objection to the change?

The PRESIDING OFFICER. Will the Senators suspend for one moment, please?

On the amendment of the Senator from Massachusetts there is a specific time agreement and that is the reason that it would require unanimous consent to modify the amendment. Is there objection?

Mr. GRIFFIN. Mr. President, reserving the right to object, and I certainly hesitate to object, I take it that the Senator from Massachusetts does object to my offering an amendment. May I make a parliamentary inquiry?

The PRESIDING OFFICER. The Senator will state it.

Mr. GRIFFIN. Would a substitute for the Kennedy amendment by the Senator from Michigan be in order? Is there some way I can get my amendment before the Senate?

The PRESIDING OFFICER. The Chair is informed it would be an amendment in the third degree, and would not be in order.

Mr. GRIFFIN. I am sure the Senator from Massachusetts is not going to insist on a technicality in this kind of situation. I do not want to do it, and I would hesitate to object to his modifying his amendment, but he must concede that this is a very technical situation that he would be taking advantage of it to prevent me from offering an amendment to his amendment.

Mr. KENNEDY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KENNEDY. Would it not be possible for the Senator from Michigan to offer his amendment as a substitute for the committee amendment?

Mr. GRIFFIN. I have just been told it would not.

Mr. KENNEDY. His request involved a substitute for my amendment, not a substitute for the committee amendment.

The PRESIDING OFFICER. Not as a substitute for the amendment of the Senator from Massachusetts. If the Senator's amendment is adopted, then, a substitute for the committee amendment would be in order.

Mr. KENNEDY. That opportunity would be available to the Senator from Michigan after a vote on our amendment?

The PRESIDING OFFICER. After the Senator's amendment has been acted upon, the Senator from Michigan could then offer an amendment in the nature of a substitute for the committee amendment.

Mr. GRIFFIN. All right. Then I will not object to the Senator's unanimous-consent request, even though he objects to mine.

The PRESIDING OFFICER. Without objection, the amendment of the Senator from Massachusetts is so modified.

Mr. ALLEN. Mr. President, will the Senator from West Virginia now yield me the time I had requested?

Mr. ROBERT C. BYRD. Yes.

Mr. ALLEN. Mr. President, one reason why I feel the amendment offered by the distinguished Senator from Massachusetts and the distinguished Senator from Oklahoma is a good amendment is illustrated by this situation: The present rule requires the presentation and reading of an amendment if it is to be considered after cloture has been invoked. The only variation from that is that if unanimous consent is given, then any amendments that are presented at any time prior to the announcement of the vote may be offered and received and acted upon.

But we run into this situation, which makes this amendment necessary: On the day of cloture, just as soon as we come in, the 1 hour ordinarily begins to run, the hour that is set aside for argument on the cloture vote. Then following that comes the ascertainment of a quorum, and then the cloture vote. So if any Senators were arbitrary, and objected to unanimous consent for the consideration of the amendments, it would not be possible to introduce an amendment on the day of cloture, and that certainly is not a situation that we want to have inflicted upon us.

So the amendment of the Senator from Massachusetts and the Senator from Oklahoma would guarantee that any Senator who presents an amendment prior to the announcement of the invoking of cloture would have that amendment received, and, if germane, it

could be accepted or rejected by the Senate. So I believe this amendment is an excellent amendment, in that it guarantees any Senator an opportunity to file amendments on the day of cloture. Otherwise there is no guarantee that an amendment can be offered on the day that cloture is acted upon. For that reason, I believe it is a good amendment. Not only that, it really makes a part of the Senate rules the procedure that we ordinarily use here in the Senate, where unanimous consent is given for consideration of any amendments at the desk at the time cloture is invoked. So it will not be any real difference in the operation of the Senate. But it assures, in effect, unanimous consent will be given.

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

Mr. ALLEN. Yes.

Mr. KENNEDY. We would welcome—I am sure I speak for the Senator from Oklahoma—the Senator from Alabama as a cosponsor of our amendment.

Mr. ALLEN. No. I am satisfied to support the Senator's amendment. I do not care to sponsor it. I thank the Senator for that offer, though.

Mr. ROBERT C. BYRD. Mr. President, I ask the distinguished Senator from Massachusetts if the words "in writing" mean also that typewritten amendments would be included.

Mr. KENNEDY. That is correct. It means printed, typewritten, or handwritten.

The PRESIDING OFFICER. The time of the Senator from West Virginia has expired.

Mr. GRIFFIN. Mr. President, how much time is remaining on this side?

The PRESIDING OFFICER. The Senator from Michigan has 8 minutes remaining.

Mr. GRIFFIN. I am glad to yield 2 minutes to the Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I wonder if a compromise could be reached between the Senator from Massachusetts and the Senator from Michigan.

The Senator from Michigan wishes amendments to be permitted in if they are offered prior to the time that the automatic quorum call begins. The Senator from Massachusetts suggests that amendments be in if they are offered at any time prior to the announcement of the vote.

Would it be a reasonable compromise to allow amendments to come in up to the point in time at which the automatic rollcall vote begins?

I offer this as a compromise because once the rollcall vote begins obviously no amendment can be read because that rollcall vote cannot be interrupted. But if amendments are allowed to come in up to the point at which the rollcall begins, then Senators have 15 minutes within which to examine those amendments at the desk, and an examination of those amendments at the desk may be a deciding factor in a Senator's judgment as to whether or not he will vote for or against cloture.

Mr. GRIFFIN. Mr. President, will the Senator from West Virginia allow me to respond on the remainder of my time?

Mr. ROBERT C. BYRD. Yes.

Mr. GRIFFIN. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator has 6 minutes remaining.

Mr. GRIFFIN. Mr. President, the suggested compromise of the Senator from West Virginia, it seems to me, makes the case that I want to be sure the Senate understands before we vote. When we vote on cloture, do we want to know what we are voting on or do we not? Do we want to be aware of the amendments that will be offered if cloture is invoked, or do we not?

If we do not care, then it does not matter whether amendments are offered at the end of the rollcall on cloture or even after that.

The reason we have the requirement in rule XXII that amendments have to be read to the Senate—and I am sure we can always waive that by unanimous consent, and we usually do—is because anyone could object if he did not know what amendments were at the desk.

The reason we have that in the rule is because we want to know what we are doing. We want to know what amendments are going to be in order and presented to the Senate if we vote for cloture.

Anything that takes away the information and the notice, thus making it more difficult for the Senate to find out what it is voting on, is going to mean that we are going to be less likely to invoke cloture.

We have an interesting coalition of Senators here. I do not ascribe any motives to anyone. But it is interesting that for different reasons we are moving toward the elimination of knowing what we are voting on when we act on cloture.

I think that we have been trying to liberalize the idea of closing off debate in the Senate. We have been moving in that direction. This is going to be a little step backward. It may not be a big step backward. But this is one Senator who will be more reluctant to vote for cloture if I do not know what is at the desk and I have to go up there, at the last minute, and search through 20 amendments in order to try to figure out what they mean before my name is called.

The Committee on Rules and Administration was willing to go along with the idea that amendments did not have to be read to the Senate if they were presented 30 minutes in advance. That would give all Senators 30 minutes.

I am retreating from that. I am saying: Let us at least have them at the desk when we begin the rollcall to establish the quorum because, before we have a vote on cloture under the rule, we always have to call the roll and establish the presence of a quorum. That sometimes take 5 minutes. Sometimes it might take a half-hour to ascertain the presence of a quorum. During that period of time, Senators would be free without any pressure to go to the desk and determine what amendments were going to be offered.

I do not think that is very unreasonable.

If we move it to the beginning of the vote, then, of course, we have only 15 minutes. A Senator's name might be in the B's or the C's. He is under pressure to vote promptly, and it could be very difficult for him to find out what he is voting on.

As I say, this is not going to be the end of the world one way or the other, and the Senate can work its will. I think we would be better off if we would at least preserve the principle of trying to give the Senate the opportunity to find out what we are voting on. If we vote down the amendment of the Senator from Massachusetts, then it will be possible for me to offer an alternative which would provide that amendments would have to be at the desk at the beginning of the rollcall to establish the presence of a quorum.

Mr. President, if the Senator from Massachusetts wishes to say something on my time, I am glad to yield to him.

Mr. KENNEDY. Mr. President, will the Senator yield 2½ minutes on the Senator's time?

Mr. GRIFFIN. I yield that time.

Mr. KENNEDY. Mr. President, all of the Senate is protected from extraneous matters by the rule of germaneness. There cannot be any amendment offered after cloture unless it is germane. So any Member of the Senate who is concerned as to possible amendments after cloture can cast his vote, knowing that no amendment is going to be considered unless it is germane. So the Members of this body are protected in that very significant way.

The history of this particular provision, Mr. President, is that at least in recent years, it has been the practice for Senators to ask for unanimous consent to consider amendments at the desk as having been read. Occasionally unanimous consent was not requested. Last fall, the inadvertent failure to obtain such consent prevented the Senate from considering an important germane amendment after cloture.

If we go the route that is suggested by the Senator from Michigan, we do not know the particular time it is going to take for a quorum to be reached before the vote begins. We are not exactly sure when the particular moment will arrive when amendments may no longer be submitted. The question is whether we are going to perpetuate some of the arbitrary roadblocks that prohibit the submission of amendments by Senators on a particular issue after cloture. The practical reality of the situation is, and there is not a Member here who does not understand it, that often we are tied up on other business in committees or in our offices and suddenly we hear the bell ring, and we know we have an amendment. Then we want to be able to come over here to offer it.

That is the situation in which 95 percent of the Members find themselves. If we accept the Griffin position, we will be effectively precluding the legitimate submission of amendments that should be considered by the Senate.

So I hope, Mr. President, recognizing the background of this reading requirement under rule XXII, understanding how it has in the not too distant past been used to prohibit Members of this body from considering important substantive germane amendments—I hope

that the kind of modest reform that we have outlined here is a reasonable way to meet our objective.

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. GRIFFIN. Mr. President, how much time remains?

The PRESIDING OFFICER (Mr. NUNN). Two minutes.

Mr. GRIFFIN. I yield 1 minute to the Senator from Maine.

Mr. HATHAWAY. I thank the chairman from Michigan for yielding.

Mr. President, I point out that it seems to me that the position of Senator KENNEDY is a very reasonable one. In fact, I would advocate the fifth position that is in the letter he circulated, that we be allowed to offer any amendments, even after the vote, so long as they are germane. It seems to me that that would give adequate protection to all Members.

There is already the limitation of a hundred hours thereafter, with 1 hour per Member, which is not transferable. So long as the Members know that any amendment that may be offered after cloture is invoked must be germane, they are protected adequately.

I believe it is even a necessity that we be allowed to offer any germane amendment, because we do not know, prior to cloture, just which of the amendments that would have to be submitted by the end of the vote are going to be adopted. An amendment may be adopted that we do not think is going to be adopted, and we might like to offer another amendment to modify the bill as a result of that amendment having been adopted.

I believe that the position of Senator KENNEDY is a very reasonable one, and we should adopt the amendment.

Mr. GRIFFIN. Mr. President, I yield the remaining minute to the ranking member of the Rules Committee, the Senator from Oregon.

Mr. HATFIELD. Mr. President, I am very reluctant to make the motion I intend to make—namely, to table the entire resolution. We are 18 months into this session, and we are only a few months away from the beginning of the new session. I think that then would be the time to take up the rules changes.

The committee has seen fit to bring this matter to the floor of the Senate, and we have had many changes on the floor. It seems to me that a rule of this significance not only should have careful scrutiny of the committee, but also, it should be done at the beginning of the session.

Therefore, I move to table Senate Resolution 268.

Mr. ROBERT C. BYRD. Mr. President, will the Senator withhold his motion, with the understanding that he will be recognized to make that motion after 1 minute, so that I may speak?

The PRESIDING OFFICER. Does the Senator withhold his motion?

Mr. HATFIELD. With that understanding, I withhold my motion.

Mr. ROBERT C. BYRD. Mr. President I think the Senator from Massachusetts is entitled to a vote up or down on this amendment. He proceeded to ask unanimous consent that the rules be changed. He agreed to not to proceed by that route, with the understanding that the Rules Committee would report a resolution. The committee did that. It lived up to its responsibility and to its promise. I hope the Senator will be allowed a vote on his amendment.

I ask the Senator whether he will modify his amendment in this respect: Rather than just say "clerk," make it "journal clerk," because there are various clerks at the desk, and the precise clerk should be identified.

Mr. KENNEDY. Yes.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the amendment be modified to read "journal clerk" rather than "clerk".

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. ALLEN. Mr. President, will the Senator yield me 2 minutes?

Mr. HATFIELD. Mr. President I restate my motion. I believe I have further evidence of the validity of my motion. Here we are, at the last sentence of the discussion, having to ask unanimous consent to add further amendments to the rule change. Therefore, I renew my motion to table Senate Resolution 268.

Mr. GRIFFIN. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

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

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Mississippi (Mr. EASTLAND), the Senator from Michigan (Mr. HART), the Senator from Arkansas (Mr. MCCLELLAN), and the Senator from New Jersey (Mr. WILLIAMS) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BAKER) and the Senator from Nevada (Mr. LAXALT) are necessarily absent.

The result was announced—yeas 30, nays 64, as follows:

[Rollcall Vote No. 120 Leg.]

YEAS—30

Beall	Hansen	Scott, William L.
Brock	Hatfield	Stafford
Buckley	Hruska	Stevens
Curtis	Javits	Taft
Dole	Long	Thurmond
Domenici	Mathias	Tower
Fannin	McClure	Weicker
Fong	Packwood	Young
Garn	Pearson	
Goldwater	Roth	
Griffin	Scott, Hugh	

NAYS—64

Abourezk	Byrd, Harry F., Jr.	Durkin
Allen	Byrd, Robert C.	Eagleton
Bartlett	Cannon	Ford
Bayh	Case	Glenn
Bellmon	Chiles	Gravel
Bentsen	Church	Hart, Gary
Biden	Clark	Hartke
Brooke	Cranston	Haskell
Bumpers	Culver	Hathaway
Burdick	Dole	Helms
Hollings	McIntyre	Proxmire
Huddleston	Metcalf	Randolph
Humphrey	Mondale	Ribicoff
Inouye	Montoya	Schweiker
Jackson	Morgan	Sparkman
Johnston	Moss	Stennis
Kennedy	Muskie	Stevenson
Leahy	Nelson	Stone
Magnuson	Nunn	Symington
Mansfield	Pastore	Talmadge
McGee	Pell	Tunney
McGovern	Percy	

NOT VOTING—6

Baker	Hart, Philip A.	McClellan
Eastland	Laxalt	Williams

So Mr. HATFIELD's motion to lay on the table was rejected.

The PRESIDING OFFICER. The question recurs on agreeing to the amendment, as modified, of the Senator from Massachusetts. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

(At this point Mr. BROCK assumed the chair.)

Mr. ROBERT C. BYRD. I announce that the Senator from Michigan (Mr. HART), the Senator from Arkansas (Mr. MCCLELLAN), the Senator from Illinois (Mr. STEVENSON), and the Senator from New Jersey (Mr. WILLIAMS), are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BAKER), and the Senator from Nevada (Mr. LAXALT), are necessarily absent.

The result was announced—yeas 72, nays 22, as follows:

[Rollcall Vote No. 121 Leg.]

YEAS—72

Abourezk	Hansen	Moss
Allen	Hart, Gary	Muskie
Bartlett	Hartke	Nelson
Bayh	Haskell	Nunn
Bentsen	Hathaway	Pastore
Biden	Helms	Pell
Brooke	Hollings	Percy
Bumpers	Huddleston	Proxmire
Burdick	Humphrey	Randolph
Byrd, Robert C.	Inouye	Ribicoff
Cannon	Jackson	Roth
Case	Javits	Schweiker
Chiles	Johnston	Scott, William L.
Church	Kennedy	Sparkman
Clark	Leahy	Stennis
Cranston	Magnuson	Stone
Culver	Mansfield	Symington
Dole	Mathias	Taft
Durkin	McGee	Talmadge
Eagleton	McGovern	Thurmond
Eastland	McIntyre	Tunney
Fannin	Metcalf	Weicker
Ford	Mondale	
Glenn	Montoya	
Gravel	Morgan	

NAYS—22

Beall	Fong	Packwood
Bellmon	Garn	Pearson
Brock	Goldwater	Scott, Hugh
Buckley	Griffin	Stafford
Byrd, Harry F., Jr.	Hatfield	Stevens
Curtis	Hruska	Tower
Domenici	Long	Young
	McClure	

NOT VOTING—6

Baker	Laxalt	Stevenson
Hart, Philip A.	McClellan	Williams

So Mr. KENNEDY's amendment, as modified, was agreed to.

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

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

The motion to lay on the table was agreed to.

The PRESIDING OFFICER (Mr.

BROCK). The question is on agreeing to the committee amendment, as amended.

Mr. KENNEDY. I make a motion——

Mr. ALLEN. I have an amendment.

The PRESIDING OFFICER. The Senator from Alabama has an amendment?

Mr. ALLEN. I have an amendment.

The PRESIDING OFFICER. The Senator from Alabama has an amendment. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Alabama (Mr. ALLEN) proposes an amendment:

Amend the committee amendment as follows: On lines 7 and 8 strike words "in order" and insert in lieu thereof the following: "proposed".

The PRESIDING OFFICER. The Senate will be in order.

Mr. ALLEN. Mr. President, I yield myself such time as I shall use.

Mr. President, while I feel that this amendment would be an improvement over the present rule, the reason I am offering my amendment is because of the conflict in two sentences in the rule.

First, under the Kennedy amendment it is provided that no amendment shall be in order unless it is filed at the desk prior to the announcement of cloture. That would seem to indicate, or there would be the slight shadow of doubt that it might indicate, that, whether germane or not, it would be in order, even though the next sentence says that no amendment that is not germane shall be in order.

Still, we should not have the two sentences, one indicating that all amendments filed prior to the announcement of cloture will be in order, and then have to take it back in the next sentence. There should not be inconsistent provisions there.

Having said that about the amendment, on the amendment that I am offering, I want to point out why I feel that the Kennedy amendment is a good amendment. As I stated earlier today, when there were not as many Senators present as there are now, under the present rule unless one gets unanimous consent for the consideration of amendments——

Mr. GRIFFIN. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. ALLEN. Unless one gets unanimous consent for the consideration of amendments, no amendment can be considered unless it has been presented and read.

When a Senator comes over on the day that cloture is going to be invoked, we start off with 1 hour of debate and then there is the automatic rollcall. It might be possible that a Senator would be frozen out from even offering his amendments and having them read.

The Kennedy amendment guarantees that on any issue on which cloture is invoked, at any time prior to the announcement of the vote, a Senator can file his amendments with the journal clerk and they would be in order, or they might be proposed under the amendment that I am offering.

I feel that the Kennedy amendment is in aid of those who might possibly want to offer amendments after cloture is invoked. Concerning those who have voted for cloture, the chances are they will not be offering amendments because they are satisfied with the bill on which cloture has been invoked. So, it is those who want to improve the bill, and they would be the ones who, in all likelihood, had voted against cloture, who would be the ones offering amendments. So, I believe the Kennedy amendment protects the right to offer amendments. It is for that reason that I voted against the motion to table and voted for the Kennedy amendment.

This amendment, which I have discussed with the Senator from Massachusetts, merely says that any amendment may be proposed. It does not guarantee that it will be accepted and does not guarantee that it will be ruled to be germane. But it may be proposed if it has been presented to the journal clerk prior to the announcement of the cloture vote.

I hope it will be accepted on a voice vote.

Mr. GRIFFIN. Will the Senator from Alabama yield?

Mr. ALLEN. I yield.

Mr. GRIFFIN. I want to indicate my support for his amendment and commend him. He has done a masterful job today in lining up a lot of liberal support for a change in the rules which will make it harder to invoke cloture.

He is absolutely right. As the situation usually is, it is not the people who want to pass the bill who have a lot of amendments. People who are trying to get a bill passed want to get to a vote. They have a bill and they want to pass it. It is the people who are against the bill.

Mr. ALLEN. No, the people who want to improve the bill, I will correct the Senator.

Mr. GRIFFIN. But if a Senator is against a bill and wants to filibuster it, one of the best ways, of course, to prolong the situation is to have a lot of amendments. Of course, now we have changed the rules in such a way that we will be voting for cloture without even knowing what those amendments are. A Senator can go up with a whole bushel basket full of amendments at the very end of the vote and dump them on the clerk's desk.

I know that the Senator from Alabama is going to have a good time operating under this new amendment. He is a master at argument and debate. He has carried the day with the Senator from Massachusetts in liberalizing the rules.

I do support his amendment. This is a good one that he is offering now.

Mr. ALLEN. I thank the Senator for commending the Senator from Alabama, but I just wonder if he really feels like commending the Senator from Alabama. I do not believe he is much in favor of the Kennedy amendment. I appreciate his support of the amendment I have offered.

Mr. KENNEDY. Mr. President, I yield myself 2 minutes.

The overwhelming majority of the Members have gone on record this afternoon to indicate that they are prepared to vote after cloture on any matters which are germane. I certainly am. I believe the Senator from Alabama and the Senator from Michigan are as well.

With regard to the bushel of amendments, it is quite clear, in the limited time I have been around here, that those who want to obstruct any piece of legislation never have any problem in insuring that all of their amendments are at the desk in plenty of time, usually a few days prior to the time we are voting on cloture. It is the other Members who have a sincere and legitimate interest in a measure, who may very well be precluded from offering their worthwhile amendments. It has happened that way, as we saw last fall in a debate on an extremely important measure.

I want to say I urge my colleagues to accept the amendment of the Senator from Alabama.

Mr. ALLEN. I thank the Senator.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mr. FANNIN). Without objection, it is so ordered. Who yields time?

Mr. ROBERT C. BYRD. Mr. President, I am ready to vote.

Mr. KENNEDY. I am ready to vote, Mr. President.

The PRESIDING OFFICER. Does the Senator from Alabama yield back the remainder of his time?

Mr. ALLEN. I yield back the remainder of my time.

The PRESIDING OFFICER. All remaining time having been yielded back, the question is on agreeing to the amendment of the Senator from Alabama.

Mr. PEARSON. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Alabama. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Michigan (Mr. PHILIP HART), the Senator from Illinois (Mr. STEVENSON), and the Senator from Arkansas (Mr. MCCLELLAN) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BAKER) and the Senator from Nevada (Mr. LAXALT) are necessarily absent.

The result was announced—yeas 78, nays 17, as follows:

[Rollcall Vote No. 122 Leg.]

YEAS—78

Abourezk	Byrd,	Culver
Allen	Harry F., Jr.	Curtis
Bartlett	Byrd, Robert C.	Dole
Bayh	Cannon	Durkin
Bentsen	Chiles	Eagleton
Biden	Church	Eastland
Bumpers	Clark	Fannin
Burdick	Cranston	Fong

Ford	Kennedy	Percy
Garn	Leahy	Proxmire
Glenn	Long	Randolph
Goldwater	Magnuson	Ribicoff
Gravel	Mansfield	Roth
Griffin	McGee	Scott, William L.
Hansen	McGovern	Sparkman
Hart, Gary	McIntyre	Stennis
Hartke	Metcalf	Stevens
Haskell	Mondale	Stone
Hathaway	Montoya	Symington
Helms	Morgan	Talmadge
Hollings	Moss	Thurmond
Hruska	Muskie	Tower
Huddleston	Nelson	Tunney
Humphrey	Nunn	Williams
Inouye	Packwood	Young
Jackson	Pastore	
Johnston	Pell	

NAYS—17

Beall	Domenici	Schweiker
Bellmon	Hatfield	Scott, Hugh
Brock	Javits	Stafford
Brooke	Mathias	Taft
Buckley	McClure	Weicker
Case	Pearson	

NOT VOTING—5

Baker	Laxalt	Stevenson
Hart, Philip A.	McClellan	

So Mr. ALLEN's amendment was agreed to.

The PRESIDING OFFICER. The committee amendment is open to further amendment.

SEVERAL SENATORS. Third reading!

The PRESIDING OFFICER. If there be no further amendments, the question is on agreeing to the committee amendment, as amended.

The committee amendment, as amended, was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the resolution, as amended.

The resolution (S. Res. 268) was agreed to, as follows:

S. RES. 268

Resolved, That the second sentence of the final paragraph of section 2 of rule XXII of the Standing Rules of the Senate is amended to read as follows: "Except by unanimous consent, no amendment shall be proposed after the vote to bring the debate to a close, unless the same has been submitted to writing to the Journal Clerk prior to the end of the vote."

Mr. KENNEDY. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

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

The motion to lay on the table was agreed to.

NATIONAL FOOD STAMP REFORM ACT OF 1976

The PRESIDING OFFICER (Mr. DOMENICI). Under the previous order, the Senate will now resume consideration of the unfinished business, S. 3136, which will be stated by title.

The legislative clerk read as follows:

A bill (S. 3136) to reform the Food Stamp Act of 1964 by improving the provisions relating to eligibility, simplifying administration, and tightening accountability, and for other purposes.

Mr. CURTIS obtained the floor.

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

Mr. CURTIS. I yield.

Mr. JAVITS. Mr. President, I ask unanimous consent that James O'Connell may have the privilege of the floor during the consideration of this measure.

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

Mr. BUMPERS. Mr. President, I ask unanimous consent that Bob Brown, of my staff, may have the privilege of the floor during the consideration of this measure.

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

Mr. BAYH. Mr. President, I ask unanimous consent that Barbara Dixon, of my staff, may have the privilege of the floor during the consideration of this measure.

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

AMENDMENT NO. 1533

Mr. CURTIS. Mr. President, I call up my amendment No. 1533. Each Senator has an explanation of it on his desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Nebraska (Mr. CURTIS), for himself, Mr. HELMS, and Mr. BUCKLEY, proposes an amendment numbered 1533.

The amendment is as follows:

On page 10, lines 2 and 3, strike out "bona fide students in any accredited school or training program;".

On page 10, line 4, strike out "without good cause".

On page 10, line 5, after "(A)" insert "without good cause".

On page 10, line 9, after "(B)" insert "without good cause".

On page 10, line 13, after "(C)" insert "without good cause".

On page 10, line 25, strike out "or".

On page 11, line 1, after "(D)" insert "without good cause".

On page 11, line 4, strike out the period and insert in lieu thereof a semicolon and the word "or".

On page 11 between lines 4 and 5, insert the following:

"(E) is enrolled in an institution of post-secondary education and such enrollment is a substitute for full-time employment, as determined by the Secretary in accordance with regulations issued by him; however, no household shall be disqualified from participation in the food stamp program under this Act because an able-bodied member of such household, other than the head of such household or the spouse of the head of such household, is enrolled in an institution of postsecondary education and his enrollment is a substitute for full-time employment (as determined by the Secretary) whether or not such member complies with the requirements of clauses (A) through (D) of this paragraph; but the benefits to which any such household is entitled under this Act shall be determined without regard to any such member or members of such household.".

On page 12, line 20, strike out "(j)" and insert in lieu thereof "(i)".

On page 13, beginning with line 22, strike out down through line 3 on page 14.

On page 14, line 4, strike out "(h)" and insert in lieu thereof "(g)".

On page 14, line 12, strike out "(i)" and insert in lieu thereof "(h)".

On page 14, line 19, strike out "(j)" and insert in lieu thereof "(i)".

The PRESIDING OFFICER. There are 10 minutes on this amendment, 5 minutes to a side.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that there be the usual time allocation of 15 minutes on the next vote and that on all rollcall votes for the remainder of the day, on the Curtis amendments, there be 10 minutes apiece.

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

Mr. CURTIS. Mr. President, upon the arrival of the chairman of the Committee on Agriculture and Forestry, I am going to ask him what the latest estimates are on what the committee bill would save. I understand that those estimates are lower than they thought.

This amendment is very simple. It is to refuse to give food stamps to students.

The amendment states that if an individual is enrolled in an institution of post secondary education, he and his family—because he must be the head of a family—are not eligible for food stamps. This amendment relates to the student's own family as the head of a household. It in no way would effect the eligibility of his parents or his brothers or his sisters.

There are already many aids for young people seeking a college education. These are both Government and non-Government. A number of Government programs provide both grants and loans for higher education. Students also are the beneficiaries of other Government subsidies which are paid to the institution, including subsidized housing.

It is not fair to tax the people who cannot go to college to provide food stamps for those who do go to college, in addition to all the other subsidies that are available.

Again I remind the Senate that this is a nutrition program, intended to benefit people who find no way of getting enough food to avoid hunger and malnutrition. It is not intended as an aid to education.

Mr. President, I am prepared to yield back the remainder of my time, and I ask for a vote on the amendment.

Mr. MANSFIELD. Mr. President, I seek recognition.

The PRESIDING OFFICER. The Senator is recognized.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum, with the time to be charged against the time of the Senator from Georgia.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanmious consent that the order for the quorum call be rescinded.

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

Mr. CURTIS. 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. MANSFIELD. 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. CURTIS. 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. CURTIS. Mr. President, I ask unanimous consent that we return to the time limitation.

The PRESIDING OFFICER. We are on a time limitation.

Who yields time?

Mr. CURTIS. May I inquire how much time I have and how much the chairman has?

The PRESIDING OFFICER. The Senator from Nebraska has 2 minutes and the Senator from Georgia has 1 minute remaining.

Mr. CURTIS. I withhold my time.

Mr. TALMADGE. Mr. President, the Senator's amendment would remove the student exemption from the work registration requirement and would make any head of household or spouse who "is enrolled in an institution of postsecondary education and such enrollment is a substitute for full-time employment as determined by the Secretary" ineligible for the program. The tax dependency test for students would be eliminated.

Mr. President, with regard to what the committee did, we thought one of the most notorious abuses under present law is the fact that college students from affluent families enrolled in college are getting a ripoff on food stamps, and it ought to be corrected; it ought to be stopped. The committee's position was plain and simple and clear: we provided that if a student were in college and if he were eligible as a dependent under the tax laws, he would not be eligible for food stamps. That means that no student who is enrolled in college, and is 22 years of age or younger, who could be claimed as a dependent under the committee bill, could be eligible for food stamps. I think the amendment of the distinguished Senator from Nebraska goes too far. I urge that it be rejected.

Mr. CURTIS. Mr. President, I yield myself the remainder of the time.

All that the committee bill does is say that if somebody else claims the student as a dependent for tax purposes, he cannot get food stamps. What this amendment does is say that a student, a full-time student, cannot get food stamps at all.

We have many programs for loans and grants. Many of them are non-Government, but the Government spends billions of dollars on those programs. Under the committee bill, a young married man, if his father does not claim him as a dependent, can stay in college from now on and be fed by the people, many of whom have never been to college and never will get to go. This is a program to prevent starvation, malnutrition, and hunger. It should not be an aid to education. Under the committee bill, the student is not even required to register for work in the summertime. The passage of this amendment would save $90 million.

I yield back the remainder of my time.

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

Mr. TALMADGE. I yield.

Mr. CURTIS. Parliamentary inquiry: how much time is there remaining?

The PRESIDING OFFICER. The Senator from Georgia has no time remaining. The Senator from Nebraska has yielded back his time.

Mr. DOLE. I support the position of the Senator from Georgia.

The PRESIDING OFFICER. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Michigan (Mr. PHILIP A. HART), the Senator from Hawaii (Mr. INOUYE), the Senator from Louisiana (Mr. LONG), and the Senator from Arkansas (Mr. MCCLELLAN) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BAKER) and the Senator from Nevada (Mr. LAXALT) are necessarily absent.

The result was announced—yeas 31, nays 63, as follows:

[Rollcall Vote No. 123 Leg.]

YEAS—31

Allen	Domenici	McClure
Bartlett	Eagleton	Morgan
Bellmon	Eastland	Nunn
Bentsen	Fannin	Proxmire
Biden	Garn	Roth
Buckley	Goldwater	Scott, William L.
Byrd, Harry F., Jr.	Hansen	Stennis
Byrd, Robert C.	Hatfield	Symington
Chiles	Helms	Thurmond
Curtis	Hruska	Tower
	Johnston	

NAYS—63

Abourezk	Hartke	Nelson
Bayh	Haskell	Packwood
Beall	Hathaway	Pastore
Brock	Hollings	Pearson
Brooke	Huddleston	Pell
Bumpers	Humphrey	Percy
Burdick	Jackson	Randolph
Cannon	Javits	Ribicoff
Case	Kennedy	Schweiker
Church	Leahy	Scott, Hugh
Clark	Magnuson	Sparkman
Cranston	Mansfield	Stafford
Culver	Mathias	Stevens
Dole	McGee	Stevenson
Durkin	McGovern	Stone
Fong	McIntyre	Taft
Ford	Metcalf	Talmadge
Glenn	Mondale	Tunney
Gravel	Montoya	Weicker
Griffin	Moss	Williams
Hart, Gary	Muskie	Young

NOT VOTING—6

Baker	Inouye	Long
Hart, Philip A.	Laxalt	McClellan

So Mr. CURTIS' amendment was rejected.

APPOINTMENTS TO SELECT COMMITTEE TO STUDY THE SENATE COMMITTEE SYSTEM

Mr. HUGH SCOTT. Mr. President, under the provisions of Senate Resolution 109, I submit the Republican members to be appointed by the President of the Senate to the temporary Select Committee to Study the Senate Committee System.

The PRESIDING OFFICER (Mr. DOMENICI). The Chair on behalf of the President of the Senate appoints the following Senators, which the clerk will state.

The legislative clerk read as follows:

Senator HANSEN.
Senator GOLDWATER.
Senator PACKWOOD.
Senator BROCK.
Senator DOMENICI.
Senator HELMS.

VISIT OF VICE PRESIDENT TO NEW ZEALAND

Mr. HUGH SCOTT. Mr. President, our esteemed Vice President, and my very good personal friend, NELSON A. ROCKEFELLER, has just returned from his third foreign mission since becoming Vice President.

When the Vice President reached New Zealand—the Vice President visited seven countries—he was welcomed by the Right Honorable R. D. Muldoon, the Prime Minister.

On that occasion the Prime Minister made some very kind and generous remarks, not only about my friend, the Vice President, but more importantly, about our country. I commend the Prime Minister's remarks to the attention of my colleagues, and ask unanimous consent that they be printed in the RECORD.

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

WELCOMING ADDRESS TO THE VICE PRESIDENT BY THE RIGHT HONORABLE R. D. MULDOON, PRIME MINISTER OF NEW ZEALAND, AT THE GOVERNMENT LUNCHEON IN THE LEGISLATIVE COUNCIL CHAMBER, WELLINGTON, NEW ZEALAND, FRIDAY, APRIL 2, 1976.

Vice President Rockefeller, Ambassador Selden, our other American guests, ladies and gentlemen: I must at the outset first of all express to Vice President Rockefeller the warmest welcome on behalf of the government and the people of New Zealand.

There is a temptation on occasions like this to launch into what might be called a "let us now praise famous men" routine. I do not propose to succumb to that because it is my belief that so much is known of Vice President Rockefeller that a recital of his abilities and accomplishments would add nothing to the knowledge of a gathering such as that I am addressing.

I will, rather, later direct my remarks towards the American people in general, whose representative he is.

But I think the observation worth making that here is a man born to a high, influential and wealthy position in life who early chose to leave to others the conduct of his material affairs and devote himself almost unreservedly to the pursuit of the common good. He concerned himself with health, education and welfare, the field of human relations, freedom, peace and the environment.

And, as this gathering has a high political content, I should add that he was the first Governor in the history of the United States to be elected to four 4-year terms, and that, as the Governor of a State—New York—which has a population 6 times that of New Zealand. I am sure I am not alone in this audience in envying this record.

This is a right and proper time for me, as prime minister, to reiterate the attitude of my government to that of the United States: Indeed not only to that great nation but to its people.

It tends to be forgotten by those of younger generations than most of those here today—and, unhappily by some of my own generation—just what the United States meant to the future of this country little more than 30 years ago.

Let me remind those who are unaware, or who have forgotten, that many thousands of the many, many thousands of American servicemen who did their final training in New Zealand had their last touch of home life among our people.

Their last meal with a family, the last chat around a fireside or, according to season, at some picnic place; their last companionships with other than their own mates—in short, they went forth from here and died.

I do not forget, in saying this, that our own young men were likewise laying down their lives on battlefields far from home.

I could not, in retrospect, wish more for them than the goodwill with which American servicemen were received here and I know that they had it and retain their affection for those countries.

On a wider scale I recall that extraordinary measure of wartime assistance devised by President Roosevelt—Lend-Lease, which Winston Churchill said in a speech in the House of Commons on April 17, 1945 "will stand forth as the most unselfish and unsordid financial act of any country in all history."

The American continued their generosity into the post-war era, notably with the Marshall Plan in Europe, which helped set that stricken, war-ravaged continent back on its feet.

There were and are other examples of their generosity, continuing to this day, too many to enumerate. But I would like the critics, particularly of later generations, to consult their history books, or newspaper files, think and rethink some of their attitudes.

We, New Zealander-born, and others who have come to live among us as New Zealanders, are people of the same language, largely of the same faith, of the same fundamental laws and ideals and, I firmly believe, to a large extent of the same interests.

The United States is the principal guarantor of our security and we remain committed to ANZUS. Let there be no doubt about that—ANZUS is our Atlantic charter.

We, as a government, want to play our part without any pussyfooting about imposing unrealistic conditions as to whether our allies should come bearing bows and arrows or muzzle-loading muskets.

The United States is also our third largest trading partner but for the last 2 years the balance has been running against us to the extent of about 100 million dollars a year. That has been largely the result of the large drop in beef, wool and dairy receipts: At the same time our imports of industrial goods from the United States has expanded.

It is my government's urgent desire that the imbalance be corrected. Without a thriving economy we cannot achieve all we desire over a wide area, including that of an adequate defense contribution to ANZUS.

I can assure Vice-President Rockefeller that not only members of the government and of parliament as a whole, but that indefinable person "the man in the street" welcome the reports of an upsurge in the United States economy. They augur well for us as well as for the people of the United States.

Stability and prosperity in the Pacific and in South-East Asia rank high in New Zealand's priorities and my government believes that effective American leadership remains essential to the stability of this region. We do not see this as incompatible with United States maintenance of an international leadership role.

I believe that the United States is morally, technically, creatively and physically strong enough to meet these challenges. To fail to do so would be disastrous for the free world.

It is a heavy responsibility but the United States has before demonstrated its resilience in all kinds of difficult situations. It would be fatal if because of disillusionment with the results of historical accidents and human failings its resolve to play the role for which destiny has selected it was diminished.

In conclusion, Mr. Vice-President, may I say this. We all know that this is United States bicentennial year. Unlike greater nations we bear them no great gifts to mark the occasion.

We are delighted that your country has in its generosity, honoured us with your presence. And we assure you that this is an occasion that will be recorded with great pleasure in our own history.

NATIONAL FOOD STAMP REFORM ACT OF 1976

The Senate continued with the consideration of the bill (S. 3136) to reform the Food Stamp Act of 1964 by improving the provisions relating to eligibility, simplifying administration, and tightening accountability, and for other purposes.

Mr. CURTIS. Mr. President, I yield to the distinguished Senator from Maryland (Mr. BEALL).

Mr. BEALL. Mr. President, I ask unanimous consent that Neil Messick of my staff be granted privilege of the floor during the debate and voting on the amendments to this bill and the bill itself.

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

AMENDMENT NO. 1534

Mr. CURTIS. Mr. President, I call up my amendment No. 1534 and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Nebraska (Mr. CURTIS), for himself, Mr. HELMS, and Mr. BUCKLEY, proposes an amendment numbered 1534.

The amendment is as follows:

On page 10, lines 2 and 3, strike out "bona fide students in any accredited school or training program;".

On page 11, between lines 4 and 5, insert the following:

"(2) No household shall be disqualified from participation in the food stamp program under this Act because an able bodied member of such household, other than the head of such household or the spouse of the head of such household, fails to comply with any of the requirements of clauses (A) through (D) of this paragraph if such member is a bona fide student in any accredited school or training program; but the benefits to which any such household is entitled under this Act shall be determined without regard to any such member or members of such household.".

On page 11, line 5, strike out "(2)" and insert in lieu thereof "(3)".

On page 11, line 20, strike out "(3)" and insert in lieu thereof "(4)".

On page 11, line 22, strike out "(2)" and insert in lieu thereof "(3)".

On page 12, line 11, strike out "(4)" and insert in lieu thereof "(5)".

On page 12, line 14, strike out "(5)" and insert in lieu thereof "(6)".

Mr. CURTIS. Mr. President, I yield myself 2 minutes.

This amendment requires students to register for work and meet the work requirements like everybody else does.

In other words, at the present time, every other person between the ages of 18 and 60 has to register for work if he gets food stamps and he has to meet the requirements of accepting the employment.

Many, many students work full time and go to school. Capitol Hill is filled with them.

Why should we say to the students, "You are the only ones who don't have to work in order to get food stamps"?

The committee bill does not even require them to register for work in the summertime to qualify for food stamps.

The saving is not so great, but there is an important principle involved. We are taxing the people who cannot go to college and do not go to college to provide food stamps for 5 or 10 years to anybody that elects to go to school. They do not even have to register to work in the summertime. I think that is wrong.

This amendment would require college students to meet work registration requirements, as well as job search and acceptance if offered, instead of automatically disqualifying college students.

Many of the arguments cited re amendment No. 1533 apply here as well. There is no reason why college students should be exempt from work registration and related requirements applicable to other recipients. It is entirely possible that a college student may be offered a job which would be consistent with his college schedule; there is no reason why, moreover, he should not be able to, and required to, adjust his curriculum schedule if an opportunity to work arises. Innumerable students in the past have put themselves through college by working. The food stamp program now offers, instead, what amounts to a free ride at taxpayers' expense for some students.

It should be noted that this, as well as the previous amendment, have a carefully drafted provision that does not disqualify the family—the parents and brothers and sisters, for example—which was previously eligible for food stamps if a son or daughter goes to college.

Estimated savings over the committee bill are $4 million.

I reserve the remainder of my time.

Mr. DOLE. Mr. President, this amendment No. 1534 is almost identical to the amendment just defeated. It disqualifies students, as the Senator from Nebraska said, who fail to register for work, and accept jobs, or accept full-time jobs.

Clearly, a student who accepts a full-time job is no longer a student and thus the amendment simply uses a different mechanism to disqualify students.

The Senator from Nebraska, as I understand it, may offer my amendment No. 1535, which I can support.

It requires college students to register for work during vacation periods of 30 days or more. I think this is a step in the right direction.

But I think the amendment just offered by the Senator from Nebraska, is an amendment that somehow disqualifies poor students.

As the Senator from Georgia pointed out in debating the last amendment, the committee bill has been tightened up. Anybody who could be claimed as a tax dependent is ineligible for food stamp benefits.

Therefore, I am opposed to the present amendment of the Senator from Nebraska.

Mr. TALMADGE. I yield back the remainder of my time.

Mr. CURTIS. I yield back the re-

mainder of my time and 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. All time has been yielded back and the yeas and nays have been ordered. The question is on agreeing to the amendment of the Senator from Nebraska and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Louisiana (Mr. LONG) and the Senator from Arkansas (Mr. MCCLELLAN) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BAKER) and the Senator from Nevada (Mr. LAXALT) are necessarily absent.

The result was announced—yeas 35, nays 61, as follows:

[Rollcall Vote No. 124 Leg.]

YEAS—35

Allen	Eagleton	Percy
Bartlett	Eastland	Proxmire
Bellmon	Fannin	Randolph
Brock	Garn	Roth
Buckley	Goldwater	Scott, William L.
Bumpers	Hansen	Stennis
Byrd, Harry F., Jr.	Hart, Gary	Taft
Byrd, Robert C.	Hatfield	Thurmond
Cannon	Helms	Tower
Chiles	Hruska	Young
Curtis	Johnston	
Domenici	McClure	
	Nunn	

NAYS—61

Abourezk	Haskell	Muskie
Bayh	Hathaway	Nelson
Beall	Hollings	Packwood
Bentsen	Huddleston	Pastore
Biden	Humphrey	Pearson
Brooke	Inouye	Pell
Burdick	Jackson	Ribicoff
Case	Javits	Schweiker
Church	Kennedy	Scott, Hugh
Clark	Leahy	Sparkman
Cranston	Magnuson	Stafford
Culver	Mansfield	Stevens
Dole	Mathias	Stevenson
Durkin	McGee	Stone
Fong	McGovern	Symington
Ford	McIntyre	Talmadge
Glenn	Metcalf	Tunney
Gravel	Mondale	Weicker
Griffin	Montoya	Williams
Hart, Philip A.	Morgan	
Hartke	Moss	

NOT VOTING—4

Baker	Long	McClellan
Laxalt		

So Mr. CURTIS' amendment (No. 1534) was rejected.

AMENDMENT NO. 1536

Mr. CURTIS. Mr. President, I call up my amendment No. 1536.

The PRESIDING OFFICER (Mr. GARN). The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Nebraska (Mr. CURTIS), for himself, Mr HELMS, and Mr. BUCKLEY, proposes an amendment as follows:

On page 6, line 25, strike out "sixty" and insert in lieu thereof "sixty-five".

Mr. CURTIS. Mr. President, I yield myself 2 minutes.

The committee bill, and in fact a number of the proposals in the Buckley-Michel bill, the so-called National Food Stamp Reform Act, introduced a concept that the aged should get an additional $25 credit on their income. In other words, if someone had income of $225, and was over 65, only $200 of it would be counted. Thus it was in their favor.

When the committee accepted that idea, they lowered the age from 65 to 60. I think we should keep this age in conformity with most of the social security program. Unless one is disabled or there is some other special reason, or he accepts a reduced amount, the standard retirement age is 65. I believe that we make a mistake when we do not have as much uniformity throughout the Government as possible.

Other special benefits for the aging, such as the double exemption on the individual income tax, take effect at 65. There was no sound reason offered in the committee for lowering it to 60.

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

Mr. TALMADGE. Mr. President, I yield myself as much time as I may require.

When the committee was marking up this bill, we had almost 8 million people unemployed in the United States of America. If someone becomes unemployed at 60 years of age, job offers which would give that person an opportunity for employment are almost nonexistent, unless he has some particular skill or is a professional person. That is the reason why the committee felt we would allow this additional $25 for those who are 60 years of age or over.

We have taken care of this problem of people with high incomes getting food stamps by eliminating all this vast maze of deductions. That is the reason why we used to see some of these advertisements in Parade magazine: "Send me $3.50, and I will tell you how to get on food stamps, even though your family earns $16,000 a year."

I am sad to tell you that could be true, if you could pyramid those deductions. This committee bill has tried to eliminate that by putting a cap on all deductions that they can take. That cap is $100 a month for the ordinary individual, but for one who is 60 years of age or over it is another $25, making it $1,500 a year. That is the cap that we put on this deduction from income, to keep people from affluent families from drawing food stamps.

Mr. President, I hope the amendment will be rejected.

Mr. CURTIS. Mr. President, I yield myself 2 additional minutes.

I ask unanimous consent that Bob Simmons of Senator HRUSKA's staff be accorded the privilege of the floor.

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

Mr. CURTIS. Mr. President, this amendment has nothing to do with eligibility. Regardless of how many unemployed we have in the country, the adoption of this amendment would not affect their eligibility. It is a question of whether to extend a special benefit to somebody who is aging.

If we say 60 years is the age, we are apt to be called upon to lower the double exemption age for income taxes from 65 to 60.

Again I remind the Senate that if we agree to all of my amendments, those who have zero income would still get all the stamps free, and all the individuals who are clear up to the poverty level, which will be $5,500 for a family of four, will participate in the program.

This proposal would work out so that some people will qualify even though they have income beyond that, and they are only 60 years old instead of 65. I hope that the amendment will be agreed to.

I yield back the remainder of my time, and ask for a vote.

Mr. THURMOND. Mr. President, will the Senator yield me 10 seconds?

Mr. CURTIS. I yield.

Mr. THURMOND. I ask unanimous consent that George Jett of my staff be accorded the privilege of the floor during the discussion and voting on this measure.

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

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

Mr. CURTIS. I yield to the Senator from Idaho.

Mr. MCCLURE. I ask unanimous consent that Diana Hoalst of my staff be accorded the privilege of the floor during the consideration of this measure.

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

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

Mr. CURTIS. I yield to the Senator from Kansas.

Mr. DOLE. I ask unanimous consent that Doug Jackson, a member of Senator BELLMON's staff, be accorded the privilege of the floor.

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

Mr. CURTIS. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment (No. 1536) of the Senator from Nebraska (Mr. CURTIS). On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. MCCLELLAN), the Senator from South Dakota (Mr. ABOUREZK), and the Senator from Missouri (Mr. SYMINGTON) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BAKER) and the Senator from Nevada (Mr. LAXALT) are necessarily absent.

The result was announced—yeas 18, nays 77, as follows:

[Rollcall Vote No. 125 Leg.]

YEAS—18

Bartlett	Garn	McClure
Bellmon	Goldwater	Moss
Buckley	Hansen	Taft
Curtis	Hatfield	Thurmond
Fannin	Helms	Tower
Fong	Hruska	Young

NAYS—77

Allen	Griffin	Nelson
Bayh	Hart, Gary	Nunn
Beall	Hart, Philip A.	Packwood
Bentsen	Hartke	Pastore
Biden	Haskell	Pearson
Brock	Hathaway	Pell
Brooke	Hollings	Percy
Bumpers	Huddleston	Proxmire
Burdick	Humphrey	Randolph
Byrd, Harry F., Jr.	Inouye	Ribicoff
	Jackson	Roth
Byrd, Robert C.	Javits	Schweiker
Cannon	Johnston	Scott, Hugh
Case	Kennedy	Scott, William L.
Chiles	Leahy	
Church	Long	Sparkman
Clark	Magnuson	Stafford
Cranston	Mansfield	Stennis
Culver	Mathias	Stevens
Dole	McGee	Stevenson
Domenici	McGovern	Stone
Durkin	McIntyre	Talmadge
Eagleton	Metcalf	Tunney
Eastland	Mondale	Weicker
Ford	Montoya	Williams
Glenn	Morgan	
Gravel	Muskie	

NOT VOTING—5

Abourezk	Laxalt	Symington
Baker	McClellan	

So Mr. CURTIS' amendment (No. 1536) was rejected.

AMENDMENT NO. 1538

Mr. CURTIS. Mr. President, I call up my amendment No. 1538.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Nebraska (Mr. CURTIS), for himself, Mr. HELMS, and Mr. BUCKLEY, proposes an amendment numbered 1538:

On page 9, line 22, strike out "twelve" and insert in lieu thereof "six".

Mr. CURTIS. Mr. President, an explanation of this amendment is on the desk of each Senator, as has been done in the case of the other amendments.

I feel that the food stamp law should be reformed. It can be done and still take care of the poor. I do not believe that the committee bill confines it to that. There is a long list of loopholes, such as those for students who do not have to meet the requirements that other people have to meet.

This is what the amendment would do: This takes the AFDC criteria established by the distinguished Senator from Georgia and applies them to food stamps. In the program of AFDC, the parent is not required to register for work if he or she is caring for a child 6 years of age or under. That was a loophole that was closed by the Committee on Finance with the Talmadge amendment. It is sound and workable.

This bill exempts people from working if they have a child under 12, and there are other provisions to take care of the handicapped, and so forth.

A child from 6 to 12 is in school, and for the AFDC program we require the parent to register in order to get benefits. Here, the committee chose to put it at 12 years instead of 6.

The amendment speaks for itself. I hope it will be adopted.

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

The PRESIDING OFFICER. Who yields time?

Mr. CURTIS. 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. TALMADGE. Mr. President, I yield to the distinguished Senator from Kansas such time as he may require.

Mr. DOLE. Mr. President, I oppose the amendment of the distinguished Senator from Nebraska.

The current food stamp program exempts from the work registration requirement any adult who is responsible for the care of a child under age 18. The Agriculture Committee lowered the age of such dependent child to 12. Amendment No. 1538, as proposed by Senator CURTIS would lower this age limit even further and require the parent of a child over age 6 to register for, and accept, employment as a condition for receiving food stamps.

This amendment would mean that a parent with children aged 7, 9, and 11, would have to leave home, search for work, and accept a job—possibly on a night shift. The committee considered such a requirement, but rejected it on the grounds that children aged 6 to 11 are too young to have their mothers forced out of the home. The Curtis amendment would also be extremely cost-ineffective. It would require food stamp offices to locate child care slots for tens of thousands of women. Already, a huge number of welfare mothers are considered "unavailable for employment" because welfare offices can find no after-school or evening child care for their children. The Curtis amendment would make this situation far worse. It would entail the expenditure of millions of dollars in attempts to find and provide social services such as child care, and in the end, most of these women would have to be considered "unavailable" anyway.

Moreover, many of the day-care facilities currently available to low-income families, are overcrowded, ill equipped, and understaffed. The additional demand created by this amendment would compound the present problems, and further lessen the already minimally beneficial aspects of the centers. It is reasonable to allow a parent the opportunity of assuming the child-rearing role at least until the child is 12 years old, especially when the alternative is too often inadequate "caretaker" day care.

The committee bill's use of age 12 is a reasonable compromise in this area, and balances the needs of a young child against the goal of forcing people to look for and accept employment.

I suggest that this amendment simply would add millions of dollars to the program. It is cost ineffective. For that reason, the amendment should be defeated.

Mr. CURTIS. Mr. President, I yield myself 1 additional minute.

All this does is require them to register for work. That is all. It does not have anything to do with child care centers. It deals with school age individuals. It will save $20 million. I urge the adoption of the amendment.

Mr. DOLE. In response to that, I point out that the mother would have to register for work; and if work was available, she would have to take the work, and the children would be eligible for day care services. It is provided for in the bill. After much discussion in the Committee on Agriculture and Forestry on whether to use the age of 18, 12, or 6, we arrived at a compromise of 12. I think that is fair and just, and it would save millions of dollars.

Mr. CURTIS. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER (Mr. PERCY). Does the Senator from Georgia yield back the remainder of his time?

Mr. TALMADGE. I yield back the remainder of my time.

The PRESIDING OFFICER. All time on the amendment has been yielded back.

The question is on agreeing to the amendment of the Senator from Nebraska. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. MCCLELLAN) and the Senator from North Dakota (Mr. ABOUREZK) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BAKER) and the Senator from Nevada (Mr. LAXALT) are necessarily absent.

The result was announced—yeas 18, nays 78, as follows:

[Rollcall Vote No. 126 Leg.]

YEAS—18

Bartlett	Goldwater	Scott, William L.
Beall	Hansen	
Brock	Helms	Taft
Buckley	Hruska	Thurmond
Curtis	McClure	Tower
Fannin	Packwood	
Garn	Roth	

NAYS—78

Allen	Griffin	Moss
Bayh	Hart, Gary	Muskie
Bellmon	Hart, Philip A.	Nelson
Bentsen	Hartke	Nunn
Biden	Haskell	Pastore
Brooke	Hatfield	Pearson
Bumpers	Hathaway	Pell
Burdick	Hollings	Percy
Byrd, Harry F., Jr.	Huddleston	Proxmire
	Humphrey	Randolph
Byrd, Robert C.	Inouye	Ribicoff
Cannon	Jackson	Schweiker
Case	Javits	Scott, Hugh
Chiles	Johnston	Sparkman
Church	Kennedy	Stafford
Clark	Leahy	Stennis
Cranston	Long	Stevens
Culver	Magnuson	Stevenson
Dole	Mansfield	Stone
Domenici	Mathias	Symington
Durkin	McGee	Talmadge
Eagleton	McGovern	Tunney
Eastland	McIntyre	Weicker
Fong	Metcalf	Williams
Ford	Mondale	Young
Glenn	Montoya	
Gravel	Morgan	

NOT VOTING—4

Abourezk	Laxalt	McClellan
Baker		

So Mr. CURTIS' amendment was rejected.

AMENDMENT NO. 1526

Mr. CURTIS. Mr. President, I am about to call up amendment 1526. A moment ago the sheet for amendment 1525 was delivered to Senators. I have

changed my mind, and I am going to offer amendment 1526.

Mr. President, I ask that amendment 1526 be stated.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Nebraska (Mr. CURTIS) proposes amendment numbered 1526.

The amendment is as follows:

On page 6, line 23, strike out "$100" and insert in lieu thereof "$50".

Mr. CURTIS. 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. CURTIS. This amendment would reduce the standard deduction from $100 to $50 per household per month, and would allow the additional deductions of Federal, State, local, and social security taxes, as in the bill reported by the committee.

There has been virtually no discussion in the committee or elsewhere around the Nation of liberalizing the provisions of the food stamp program. Yet, that is exactly what the committee has done in approving a standard deduction which exceeds the current average of all itemized deductions, which is about $77. If, in the judgment of the Senate, we should allow the separate deduction of taxes paid by a working family so that we do not have a work disincentive, we need to scale down substantially the amount of the standard deduction.

The purpose of a standard deduction is to adjust for all deductions including taxes. If taxes are to be treated as an additional deduction then the standard deduction should be lowered as provided in this amendment. A deduction of $50, when taxes are added, comes very close to the amount of present deductions.

The estimated savings over the committee bill are $1 billion.

Mr. President, I believe if the committee bill is enacted the final calculation of what it saves over the present system, which is in disrepute all over, will be very limited; may be $100 million or $200 million out of a program of $6 billion.

Here is how the program works: A family of four is required to have food of $166 a month. If they have zero income they will get $166 worth of food stamps free under my proposal or any of these others.

Then they pay a percentage from their own, never more than 30 percent. If a family has an income of $200, 30 percent of that is $60, and they pay $60 and get $166 worth of food stamps.

If their income is $400 they would pay $120 and they would get $166 worth of food.

I believe the program should phase out at the poverty level. The poverty level is about to be increased. By the time this bill becomes effective, for a family of four it will be $5,500. The committee bill says in addition to the poverty level there is a standard deduction of $100 a month, and then all the taxes that you paid. Well, if a family of four has $5,500, you add $1,200 to that—$100 a month standard deduction—and suppose they have $600 worth of taxes, you have raised the eligibility to $7,300.

I think that is too much. There is much to be said—something to be said—for a standard deduction. It simplifies matters. But if you are going to include a special deduction for taxes paid, then the $100 deduction should be reduced to $50. That is what this is all about.

If someone is living in public housing, he does not have to count the housing subsidy as part of his income.

There are other provisions. A student who gets a grant does not have to count it as income.

Now, if we had a standard deduction of $100, and it took care of everything, that would be one thing. But the committee bill, in addition to housing, in addition to certain in-kind income, has a standard deduction of $100 a month, plus taxes.

What my amendment does is to reduce the $100 to $50. It reduces the $100 to $50 and you still get a deduction.

The PRESIDING OFFICER. The Senator's 5 minutes on the amendment have expired.

Mr. CURTIS. How much time has expired?

The PRESIDING OFFICER. Five minutes have expired.

Mr. CURTIS. I thank the Chair.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. TALMADGE. Mr. President, I yield myself such time as I may require.

Dropping the standard deduction from $100 in the committee bill to $50 as proposed by the distinguished Senator from Nebraska would penalize the neediest recipients the most.

As compared with the committee bill, purchase prices would rise by $14 a month for all recipients. There would be a 50-percent increase for households with $200 a month gross income. There would be a 16-percent increase for households with $400 a month gross income.

Furthermore, it would grant a standard deduction far below what the average food stamp recipient now claims. The committee bill grants $100 a month standard deduction, roughly comparable to the $93 a month now claimed by the average recipient.

The Curtis amendment would grant only a $50 standard deduction, about half of what the average recipient now claims.

The intent of the committee bill is to cut high-income people off the food stamp program by not allowing deductions above $100 a month, above the average. The Curtis amendment would cut participation even more by allowing only a $50 a month deduction.

I urge the Senate to reject the amendment.

Mr. DOLE. The amendment, offered by Senators CURTIS, HELMS, and BUCKLEY, would slash benefits for families with net incomes below the poverty line by over $1 billion. The amendment would provide a flat $50 standard deduction for all households, plus an extra $25 for the elderly. No separate deduction for taxes would be allowed.

The committee bill provides a flat $100 standard deduction, plus an extra $25 for the elderly—the standard deduction level proposed in the administration bill and regulations—and also includes a deduction for income taxes.

If adopted, the Curtis amendment would have the following results:

First. If in effect today—with a poverty level of $5,050 still in use—the amendment would set a gross income limit for a four-person family at only $5,650. For the year from June 1976 to June 1977, the income limit would be only $6,100.

Under the committee bill, the income limits for the coming year would be $6,700 for nonworking families and about $7,700 for working families. Families of four with gross incomes of $6,500 or $7,000 are not high income and should continue to be eligible for stamps.

Second. The amendments would cut benefits $165 a year below the levels provided in the bill for all nonworking families, and by up to $400 a year for all gainfully employed. Over $1 billion a year in benefits would be cut from families with net incomes below the poverty line. The amendment would cut standard deductions far below the current average deduction, while purchase price would still be raised from its current average of 23 to 27.5 percent.

Third. The amendment would be unfair to working families. Working families with take-home pay in the $5,600 to $6,100 range, but gross income above $6,100, would be made ineligible. Families on welfare or unemployment compensation with incomes in the same $5,600 to $6,100 range would be eligible.

In addition, a working family with $5,500 in take-home pay would receive $150 a year less in food stamp benefits than a welfare or unemployed family at the same income level.

Fourth. The $50 deduction is far too low for the elderly, even with the extra $25, they would receive. Most elderly households now pay only 10 to 22 percent of net income for their stamps. The committee bill raises this percentage all the way up to 27.5 percent, an increase of one-third—1½ times for most elderly. The only way to avoid cutting back on the elderly is to give them a far larger standard deduction than this amendment provides, in order to counteract the effects of the higher purchase price.

Fifth. The $50 deduction is far too low for larger families. A new study by the House Agriculture Committee found that the average household of 4 to 6 persons received a $114 deduction a year ago.

Sixth. The $50 deduction is far too low for working families, who currently get the largest itemized deductions because of expenses for taxes, work-related expenses, child care in order to work, et cetera.

The PRESIDING OFFICER. All time has expired.

The question is on agreeing to the amendment of the Senator from Nebraska.

The yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce

that the Senator from Arkansas (Mr. McCLELLAN) is necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BAKER) and the Senator from Nevada (Mr. LAXALT) are necessarily absent.

The result was announced—yeas 12, nays 85, as follows:

[Rollcall Vote No. 127 Leg.]

YEAS—12

Allen	Goldwater	Scott, William L.
Bartlett	Hansen	Thurmond
Buckley	Helms	
Curtis	Hruska	
Fannin	McClure	

NAYS—85

Abourezk	Gravel	Muskie
Bayh	Griffin	Nelson
Beall	Hart, Gary	Nunn
Bellmon	Hart, Philip A.	Packwood
Bentsen	Hartke	Pastore
Biden	Haskell	Pearson
Brock	Hatfield	Pell
Brooke	Hathaway	Percy
Bumpers	Hollings	Proxmire
Burdick	Huddleston	Randolph
Byrd, Harry F., Jr.	Humphrey	Ribicoff
	Inouye	Roth
Byrd, Robert C.	Jackson	Schweiker
Cannon	Javits	Scott, Hugh
Case	Johnston	Sparkman
Chiles	Kennedy	Stafford
Church	Leahy	Stennis
Clark	Long	Stevens
Cranston	Magnuson	Stevenson
Culver	Mansfield	Stone
Dole	Mathias	Symington
Domenici	McGee	Taft
Durkin	McGovern	Talmadge
Eagleton	McIntyre	Tower
Eastland	Metcalf	Tunney
Fong	Mondale	Weicker
Ford	Montoya	Williams
Garn	Morgan	Young
Glenn	Moss	

NOT VOTING—3

Baker	Laxalt	McClellan

So Mr. CURTIS' amendment (No. 1526) was rejected.

Mr. CURTIS. Mr. President, I send an unprinted amendment to the desk and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Nebraska (Mr. CURTIS) proposes an amendment:

On page 12, line 20, strike out "(j)" and insert in lieu thereof "(k)".

On page 15, line 6, strike out the quotation marks and the second period.

On page 15, between lines 6 and 7, insert the following:

"(k) Notwithstanding any other provision of this Act, no household shall be eligible to participate in the food stamp program if the head of such household is a full-time employee of the Federal Government or of the government of any State or local subdivision of a State. In any case in which any household is eligible for a coupon allotment under this Act and such household includes a member, other than the head of such household, who is a full-time employee of the Federal Government or the government of any State or political subdivision of a State, the benefits to which such household is entitled shall be determined without regard to any such member or members so employed.".

Mr. CURTIS. 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. CURTIS. Mr. President, this is a simple amendment. It is offered by request. I am not at liberty to disclose the name of the Senator who wanted it offered. I endorse it, however.

This provides that a Government employee who is the head of a household—a Government employee, Federal, State, or local—is not entitled to food stamps.

I believe that if we have underpaid Government workers, their wages should be raised. But I do not believe that civil or military should have to purchase food stamps if they are working full time for the Government.

It relates to the head of the household. If there is a family which qualifies for food stamps and there happens to be an individual in the home, say one of the children, working for the Government, this does not disqualify the rest of the family at all.

Mr. President, I urge the adoption of the amendment.

I reserve the remainder of my time.

Mr. TALMADGE. Mr. President, I rise to oppose the amendment.

In the first place, the Senator's amendment would create two classes in America. One group would be those who work for the State governments, the Federal Government, the municipal governments, and the county governments. They would be denied benefits to be granted to all other Americans. They would be precluded simply because they happened to be on the payroll of some subdivision of government. That, in my judgment, is wrong. I think it is legally indefensible and probably would be stricken down by the courts.

The amendment also goes beyond that. It cuts off any benefits to poor people who might be working for the government, either the Federal Government, the State governments, the local governments, or the municipal governments.

The committee bill denies any benefits to a family of four with incomes of $7,800 or more. What does the amendment of Senator CURTIS do? It would deny any benefits to GS-1, GS-2, GS-3, and GS-4 Federal employees.

Over and beyond that there must be thousands and thousands of employees, such as a town marshal, or a man who cleans up garbage in a small municipality, the streetsweeper, someone who paints the jail or the courthouse, somebody like that, at very, very low wages. He might be working for the minimum wage. He might have a family of six children. The Senator's amendment would absolutely deny him the food stamps.

I yield back the remainder of my time. I hope the Senate will reject the amendment.

Mr. CURTIS. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator has 2½ minutes remaining.

Mr. CURTIS. The facts are being developed. According to the distinguished chairman, a person is eligible for food stamps if they have an income of $7,800. The poverty level is $5,050. In a few weeks it will be $5,500. This is not a program geared to the poor. Why should we pay Government workers such a small amount that they are undernourished? It should not be done.

Mr. President, we are writing quite a record here. That $7,800 eligibility for food stamps comes about because after they take in the poverty core level they add $100 and then they add all the taxes. They do not count housing subsidies, medicaid, or anything else.

Mr. President, it took 185 years for the expenditures of this Government to reach $100 billion. In 9 years it went to $200 billion. In only 4 years it went to $300 billion. It is going to go through the ceiling. The reason is that 45 cents out of every $1 spent by this Government goes as direct benefits to individuals.

It does not cost much to govern. It costs an awful lot to provide. That is a Socialist state. I do not want any part of it.

The PRESIDING OFFICER. Does the Senator yield back the remainder of his time?

Mr. CURTIS. Yes.

The PRESIDING OFFICER. The question is on agreeing to the amendment. The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Michigan (Mr. HART), the Senator from Louisiana (Mr. LONG), and the Senator from Arkansas (Mr. McCLELLAN) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BAKER) and the Senator from Nevada (Mr. LAXALT) are necessarily absent.

The result was announced—yeas 18, nays 77, as follows:

[Rollcall Vote No. 128 Leg.]

YEAS—18

Biden	Griffin	Scott, William L.
Brock	Hansen	Stennis
Curtis	Helms	Thurmond
Eastland	Hruska	Tower
Fannin	McClure	
Garn	Pastore	
Goldwater	Roth	

NAYS—77

Abourezk	Ford	Morgan
Allen	Glenn	Moss
Bartlett	Gravel	Muskie
Bayh	Hart, Gary	Nelson
Beall	Hartke	Nunn
Bellmon	Haskell	Packwood
Bentsen	Hatfield	Pearson
Brooke	Hathaway	Pell
Buckley	Hollings	Percy
Bumpers	Huddleston	Proxmire
Burdick	Humphrey	Randolph
Byrd, Harry F., Jr.	Inouye	Ribicoff
	Jackson	Schweiker
Byrd, Robert C.	Javits	Scott, Hugh
Cannon	Johnston	Sparkman
Case	Kennedy	Stafford
Chiles	Leahy	Stevens
Church	Magnuson	Stevenson
Clark	Mansfield	Stone
Cranston	Mathias	Symington
Culver	McGee	Taft
Dole	McGovern	Talmadge
Domenici	McIntyre	Tunney
Durkin	Metcalf	Weicker
Eagleton	Mondale	Williams
Fong	Montoya	Young

NOT VOTING—5

Baker	Laxalt	McClellan
Hart, Philip A.	Long	

So Mr. CURTIS' amendment was rejected.

AMENDMENT NO. 1528

Mr. CURTIS. Mr. President, I call up my amendment No. 1528.

The PRESIDING OFFICER (Mr. STONE). The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Nebraska (Mr. CURTIS) (for himself, Mr. HELMS, and Mr. BUCKLEY), proposes an amendment numbered 1528, as follows:

On page 17, line 24, strike out "27.5" and insert in lieu thereof "30".

Mr. CURTIS. Mr. President, the Senate has spoken on food stamps. We have provided that food stamps are not limited to those under the poverty level of $5,500, as before, but the level goes up to $7,800. We have provided that strikers and students—who can be professional students all their lives, and of course they can show no assets and no income—can get the stamps. We have quite a loophole bill here.

This amendment—and there is a description of it before each Senator here—deals with the amendment that an individual should pay. At the present time, they pay up to 30 percent of their income. Not all of them pay quite 30. It is near. And it works this way: I mentioned it before, but there are some Senators on the floor that were not here then. The Department of Agriculture says that a family of four should have $166 worth of groceries a month; that is their thrifty plan. The poverty level is $5,500 for a family of four. If they have zero income, they receive $166 food stamps free. And then they pay 30 percent of their income toward this $166. It works out this way: if they have income of $200 a month, 30 percent of that is $60. They pay $60 and in return receive $166.

If they have an income of $400 a month, 30 percent of that is $120. They pay $120 and receive $166 worth of groceries. That is to assist them.

The committee agreed that the amount they should pay is 30 percent of their income. Thirty percent is favored by the Department of Agriculture. Thirty percent was in the bill introduced by the distinguished Senator from South Dakota (Mr. MCGOVERN); 30 percent was in the bill introduced by the distinguished Senator from Kansas (Mr. DOLE), and in the last few minutes of consideration without any adequate facts or figures that was lowered from 30 to 27½.

There are a lot of well-meaning people who worked on this bill, but I think we have gone too far trying to get everyone under the tent to get them to agree on this bill. There was never anything submitted to the committee that this should be 27.5 percent instead of 30. Keep in mind that if this passes people who have no income will still get their stamps without paying anything.

The average person in the low-income group, according to the Bureau of Labor Statistics, at the poverty level already are spending 32.6 percent of their income, and some of them below that are spending as much as 39 or 40 percent. Thirty percent is a reasonable figure. It will allow a substantial subsidy for people who have a low income.

As I say, this comes here with a recommendation by the bill introduced. It was in the bill introduced by the distinguished Senator from South Dakota (Mr. MCGOVERN). It was in the Dole bill. It was in the Buckley-Michel bill. It is what is favored by the administration.

Then in that finagling that went on in the last few minutes they lowered it to 27.5 percent. It increases the cost by $214 million.

Mr. President, I think we have an obligation not to increase dependency in this country. I think we have an obligation so far as the able-bodied are concerned that they support themselves. This bill goes in the opposite direction.

Here is one more amendment whereby Senators have a chance to make a correction.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. TALMADGE. Mr. President, I yield such time as he may desire to the distinguished Senator from Kansas.

Mr. DOLE. Mr. President, at the present time, as the Senator from Kansas understands, the average household pays 24 percent of net income for stamps, and these figures are furnished by the U.S. Department of Agriculture.

This amendment, by raising the purchase price further, would cut $300 million more in benefits than the committee bill already has cut.

I recall when President Ford suggested that we increase that requirement to 30 percent only eight Senators voted with the administration on that issue. I might suggest that this amendment is similar to that regulation.

As the distinguished Senator from Nebraska has indicated, this 30-percent figure has appeared in various bills. The final result of the committee bill was an effort to compromise the differences, and I might suggest that at the appropriate time there will be a substitute bill offered by the Senator from Kansas which will lower the purchase requirement to 25 percent in an effort to make certain that those truly in need can participate in the program.

As a tradeoff for lowering that contribution, we will drop any effort to eliminate the purchase requirement.

But, as the Senator from Kansas said many times, reform is a two-edged sword. We want to lop off those people who should not be in the program and the committee, under the leadership of the Senator from Georgia, has done this; but at the same time we want to make certain that those who should participate and have not been able to participate can participate.

I do not think we perform any service by this amendment. I hope that the amendment will be defeated.

Mr. BUMPERS. Mr. President, will the floor managers yield for a question?

The PRESIDING OFFICER. Who yields time?

Mr. TALMADGE. I yield.

Mr. BUMPERS. I was curious as to the memo on my desk on this amendment which states that this saving difference between 30 and 27.5 percent will be $214 million. I was wondering if the committee agrees with that figure.

Mr. TALMADGE. Let me see if we have any information on this in our files here.

Perhaps Senator CURTIS can answer that question. I yield him such time as he desires to explain where he got his figures.

Mr. CURTIS. I think that was the figure used in the committee. Some of these figures have to be reworked. The committee bill is supposed to save $630 million. The latest information I have is that that is not going to work out that way at all. It is going to be $260 million. In other words, it does not amount to anything in the $6 billion program.

Mr. BUMPERS. I was looking at the cost estimates on the proposed substitute, which apparently is going to be offered today, to show there is roughly a $400 million difference in the committee bill and the substitute; in other words, the substitute costs $400 million more than the committee bill, and I was curious as to whether half of that was made up of the difference between the 27.5 percent in the committee bill and the 25 percent which will be in the figure in the proposed substitute. That seemed like a rather high savings figure for me as to 2.5 percent.

Mr. TALMADGE. In our committee report, if the Senator will look on page 87, amendment 2, reduce the benefit reduction rate from 27.5 to 25 percent. That cost will be $300 million. So I presume the savings that the Senator from Nebraska indicates would occur if his amendment were agreed to would be in the ball park.

Mr. BUMPERS. I thank the Senator.

Mr. TALMADGE. I yield back the remainder of my time.

The PRESIDING OFFICER. All time is yielded back.

Mr. CURTIS. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Michigan (Mr. HART) and the Senator from Arkansas (Mr. MCCLELLAN) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BAKER) and the Senator from Nevada (Mr. LAXALT) are necessarily absent.

The result was announced—yeas 23, nays 73, as follows:

[Rollcall Vote No. 129 Leg.]

YEAS—23

Allen	Eastland	Roth
Bartlett	Fannin	Scott, William L.
Beall	Fong	Stennis
Bellmon	Goldwater	Thurmond
Brock	Griffin	Tower
Buckley	Hansen	Young
Byrd, Harry F., Jr.	Helms	
Curtis	Hruska	
	McClure	

NAYS—73

Abourezk	Case	Eagleton
Bayh	Chiles	Ford
Bentsen	Church	Garn
Biden	Clark	Glenn
Brooke	Cranston	Gravel
Bumpers	Culver	Hart, Gary
Burdick	Dole	Hartke
Byrd, Robert C.	Domenici	Haskell
Cannon	Durkin	Hatfield

Hathaway	McIntyre	Ribicoff
Hollings	Metcalf	Schweiker
Huddleston	Mondale	Scott, Hugh
Humphrey	Montoya	Sparkman
Inouye	Morgan	Stafford
Jackson	Moss	Stevens
Javits	Muskie	Stevenson
Johnston	Nelson	Stone
Kennedy	Nunn	Symington
Leahy	Packwood	Taft
Long	Pastore	Talmadge
Magnuson	Pearson	Tunney
Mansfield	Pell	Weicker
Mathias	Percy	Williams
McGee	Proxmire	
McGovern	Randolph	

NOT VOTING—4

Baker	Laxalt	McClellan
Hart, Philip A.		

So Mr. CURTIS' amendment was rejected.

The PRESIDING OFFICER. The Senator from Maryland is recognized.

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

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. BEALL. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

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

Mr. BEALL. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

Mr. TALMADGE. Let us hear what the amendment is. We might not need the yeas and nays.

Mr. BEALL. I think we will need the yeas and nays.

I yield to the Senator from Oregon.

The PRESIDING OFFICER. If the Senator will suspend, is there a sufficient second?

Mr. MANSFIELD. Mr. President, could the clerk be asked to read the amendment? I want to make a proposal to the Senator from Maryland.

The PRESIDING OFFICER. Does the majority leader wish to suspend the call for the yeas and nays?

Mr. MANSFIELD. Yes; I should like to hear the amendment first.

Mr. BEALL. I shall be happy to withhold the request for the yeas and nays to explain the amendment, if the majority leader please.

Mr. MANSFIELD. Why not hear it? I want to make a proposal.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with. I know less now than I did before.

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

The amendment is as follows:

S. 3136

On page 10, line 3, strike out the semicolon and insert in lieu thereof a comma and "subject to the provisions of paragraph (6) of this subsection;".

On page 12, line 18, strike out the quotation marks and the second period.

On page 12, between lines 18 and 19, insert the following:

"(6) The exception provided in paragraph (1) with respect to bona fide students shall not apply in the case of any student during any period such student is not attending the school or training program in which he is enrolled because of a break in the school year (or between school years) or training programs if the duration of such break is thirty days or more.".

Mr. TALMADGE. Mr. President, I am thoroughly familiar with the amendment.

Mr. BEALL. This is exactly like the Curtis amendment No. 1535.

Mr. TALMADGE. I am prepared to accept it and am prepared to give the Senator default judgment without a vote.

Mr. BEALL. Mr. President, I ask for the yeas and nays.

Mr. TALMADGE. We do not need the yeas and nays. I assume if the Senator proposes an amendment, his constituents will know he supported his own amendment.

Mr. BEALL. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? Please raise your hands. There is a sufficient second.

The yeas and nays were ordered.

Mr. BEALL. I yield to the Senator from Oregon.

Mr. HATFIELD. Mr. President, I ask unanimous consent that, during the remaining time for consideration of this bill and votes taken thereon, my staffman, Keith Kennedy, be permitted access to the floor.

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

The Senator from Maryland is recognized.

Mr. BEALL. How much time do I have?

The PRESIDING OFFICER. There is no time limit on the amendment.

Mr. BEALL. I am willing to have this vote in 5 minutes.

Mr. CURTIS. Reserving the right to object, I want to be heard on this amendment.

Mr. MANSFIELD. Go ahead.

Mr. CURTIS. He has the floor.

Mr. BEALL. I shall explain, for the Senator from Nebraska, the amendment.

Mr. CURTIS. I want about 2 minutes.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that there be a time limitation of 7 minutes on the pending amendment, 2 minutes to be given to the Senator from Nebraska (Mr. CURTIS), the rest to the sponsor of the bill.

The PRESIDING OFFICER. Is there objection? The Chair hears none. Without objection, it is so ordered.

The Senator will suspend until there is order in the Chamber.

The Senate will be in order.

The Senator from Maryland is recognized.

Mr. BEALL. Mr. President, I yield myself 1 minute.

This amendment is the same as amendment No. 1535, that was offered or proposed to be offered by the Senator from Nebraska (Mr. CURTIS). It requires a student who receives food stamps to register for work if he or she is on vacation for 30 days or more. Mr. President, unless this amendment is agreed to, students who receive food stamps during the academic semester will be able to continue receiving stamps through the 3 months' summer vacation period without complying with the same work registration requirement which applies to other households. Obviously, Mr. President, this would be very unfair and inequitable to nonstudent low-income families.

I think it is an amendment that should be adopted. I am happy that the Senator from Nebraska had the foresight to propose such an amendment. I am sorry he is not offering it, but I think it is so worthy of consideration that I am offering it and suggested that we have a rollcall vote so everybody could be recorded on this measure.

Mr. CURTIS. Mr. President, I shall, of course, vote for this amendment. It is the best escape hatch amendment that has ever been written. We have taken a position here for increasing expenditures on food stamps. There are enough loopholes in this committee bill to grow on. We have 19 million takers of food stamps now.

Without changing the law 40 million are eligible, and the court has said, "Get the word out, tell them about it."

Now the Senate has turned down amendments that would save $2 billion. This one would save $2 million out of a program of $6 billion. I commend it to everybody who wants to go home and say, "I voted to clean up the food stamp program."

Mr. TALMADGE. Mr. President, I support the amendment. I think it is a worthy one, and I hope the Senator will ask unanimous consent to withdraw the record vote so we can proceed to other business.

I yield back the remainder of my time.

Mr. BEALL. I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Maryland.

The yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Michigan (Mr. HART) and the Senator from Arkansas (Mr. MCCLELLAN) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Arizona (Mr. GOLDWATER) and the Senator from Nevada (Mr. LAXALT) are necessarily absent.

The result was announced—yeas 95, nays 0, as follows:

[Rollcall Vote No. 130 Leg.]

YEAS—95

Abourezk	Cannon	Garn
Allen	Case	Glenn
Bartlett	Chiles	Gravel
Bayh	Church	Griffin
Beall	Clark	Hansen
Bellmon	Cranston	Hart, Gary
Bentsen	Culver	Hartke
Biden	Curtis	Haskell
Brock	Dole	Hatfield
Brooke	Domenici	Hathaway
Buckley	Durkin	Helms
Bumpers	Eagleton	Hollings
Burdick	Eastland	Hruska
Byrd,	Fannin	Huddleston
Harry F., Jr.	Fong	Humphrey
Byrd, Robert C.	Ford	Inouye

Jackson	Moss	Sparkman
Javits	Muskie	Stafford
Johnston	Nelson	Stennis
Kennedy	Nunn	Stevens
Leahy	Packwood	Stevenson
Long	Pastore	Stone
Magnuson	Pearson	Symington
Mansfield	Pell	Taft
Mathias	Percy	Talmadge
McClure	Proxmire	Thurmond
McGee	Randolph	Tower
McGovern	Ribicoff	Tunney
McIntyre	Roth	Weicker
Metcalf	Schweiker	Williams
Mondale	Scott, Hugh	Young
Montoya	Scott, William L.	
Morgan		

NAYS—0

NOT VOTING—5

Baker	Hart, Philip A.	McClellan
Goldwater	Laxalt	

So Mr. BEALL's amendment was agreed to.

Mr. FORD. I have an amendment I wish to bring up.

Mr. MANSFIELD. Will the Senator yield me 1 minute?

Mr. FORD. I am delighted to.

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

The Senator from Montana.

INTERIM REPORT OF THE CULVER COMMISSION

Mr. MANSFIELD. Mr. President, pursuant to Senate Resolution 227 of last year, an interim report from the Commission on the Operation of the Senate which was adopted by a unanimous vote has been received by the Republican leader and myself. It was transmitted to us on March 31, 1976, by the Chairman of the Commission, Harold E. Hughes, as required by section 6 of the establishing resolution.

The interim report, in my judgment, bears witness to the comprehensive nature of the Commission's inquiries and the strenuous efforts which are being made to carry out the purposes of Senate Resolution 227. In less than 4 months of active existence, a most useful contribution has been made by the group and its staff.

It is the hope of the joint leadership that the Commission will persevere in its considerable task, will follow all the leads available to it for the improvement of the operation of the Senate, will say forthrightly what needs to be said of a critical nature and will make specific proposals for improvement in this unique institution.

The interim report sets out a work program for the balance of the life of the Commission which is of ambitious dimensions, given the complexity of the Senate. It reaches no conclusions or recommendations as of now. It does, however, point strongly to the need for a more integrated administration—particularly with respect to housekeeping and general services—and requests all those concerned to think through how they can continue to clarify and rationalize the existing structure.

To facilitate the effort to improve the Senate-wide housekeeping and general services, we are asking the Secretary of the Senate and Mr. Gerald Frank who are ex officio members of the Commission to convene a working group to include the Sergeant at Arms, the Architect of the Capitol, the staff directors of the Committee on Rules and Administration and the Legislative Appropriations Subcommittee and any other pertinent personnel of the Senate to review together the way in which these services are provided at present and to consider steps to rationalize the distribution of administrative responsibilities so as to enhance effectiveness.

Lastly, as the interim report suggests, because of the time it has taken to get the Commission underway, it appears reasonable to move the date for its final report from September 30 to December 31. No additional funds are involved. I, therefore, am submitting an amendment in the form of a Senate resolution to Senate Resolution 227 to provide for this short extension of time.

Mr. President, I send the interim report to the desk and I ask unanimous consent that it be printed as a Senate document.

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

Mr. CULVER. Mr. President, I welcome the submission by the leadership of the interim report of the Temporary Commission on the Operation of the Senate. It sets the stage for the main working phase of the Commission's work and for the development of final recommendations. The work program which the report sets forth and the reflections it makes on the need for a clearer administrative structure within the Senate augur well for the contribution the Commission can make to our membership and to public understanding.

Senator MANSFIELD has wisely stressed the desirability that the various administrative units and officials of the Senate seek a working group arrangement to explore ways of better rationalizing their several responsibilities as well as assisting the inquiries of the Temporary Commission. I am sure also that the recommended postponement of the final report by 3 months will strengthen the final product and give the Commission a far better opportunity to accomplish its comprehensive work objectives.

With the reforms adopted in caucus during this Congress, with the creation last week of a bipartisan Select Committee on Committees, and with the encouraging progress marked in this report by the Temporary Commission on the Operation of the Senate we can take genuine hope that the Senate is equipping itself better to meet its legislative responsibilities. We are grateful to the public members of the Commission and to the staff for the course they have set in this report. I am sure that the Senate membership can count on a final report which is sensitive to the strengths the Senate already has as well as to the adaptations required for a demanding future.

Mr. MANSFIELD. Mr. President, I ask for the immediate consideration of the resolution.

The PRESIDING OFFICER. The resolution will be stated by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 423) extending the date for submission of the final report of the Commission on the Operation of the Senate.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

The resolution (S. Res. 423) was agreed to, as follows:

Resolved, That section 6(a) of Senate Resolution 227, 94th Congress, agreed to July 29, 1975, is amended by striking out "September 30, 1976" and inserting in lieu thereof "December 31, 1976".

NATIONAL FOOD STAMP REFORM ACT OF 1976

The Senate continued with the consideration of the bill (S. 3136) to reform the Food Stamp Act of 1964 by improving the provisions relating to eligibility, simplifying administration, and tightening accountability, and for other purposes.

Mr. FORD. Mr. President, I call up my unprinted amendment which is at the desk.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk proceeded to read the amendment.

Mr. FORD. 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:

At the end of the bill add a new section as follows:

SPECIAL TEMPORARY ELIGIBILITY FOR CERTAIN HOUSEHOLDS

SEC. 15. Notwithstanding any other provision of law, any household which lost the head of such household as a result of the Scotia coal mine disasters which occurred on March 9 and 11, 1976, at Oven Fork, Kentucky, shall be eligible for a coupon allotment under the Food Stamp Act of 1964 for a period of six months after the date of enactment of this section without having to meet any requirements of eligibility for such allotment prescribed by law or regulation.

Mr. FORD. Mr. President, this is an amendment that adds a new section to this bill. That new section would be entitled "Special Temporary Eligibility for Certain Households" and it would be section 15.

It reads, and I think this explains the intent of my amendment:

Notwithstanding any other provision of law, any household which lost the head of such household as a result of the Scotia coal mine disasters which occurred on March 9 and 11, 1976, at Oven Fork, Kentucky, shall be eligible for a coupon allotment under the Food Stamp Act of 1964 for a period of six months after the date of enactment of this section without having to meet any requirements of eligibility for such allotment prescribed by law or regulation.

Mr. President, the widows and families of those who lost their lives in this disaster have been attempting to secure food stamps and they have been turned down. I can understand why those at the local level would have a problem determining the efforts of these people. They have

some life insurance coming and it has not yet arrived. There could be workmen's compensation that has not yet arrived.

But they need help. So in this special case I am asking the Senate to add to this piece of legislation this amendment.

I have talked with the floor manager of the bill and he has given me good advice and I shall pursue administrative procedures in order to secure the help for these families as a result of this disaster.

But being one who believes in backing up his aces, I am hopeful the floor manager will allow me to have this amendment on the bill.

Mr. TALMADGE. I have discussed this amendment. I think it is something that should be handled administratively, but in the absence of it being handled administratively, I think it is a worthy purpose and I urge the Senate to accept the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Kentucky.

The Senator from Kansas.

Mr. DOLE. Mr. President, I have discussed the amendment with the Senator from Kentucky. I think it certainly has merit. I hope the proper authorities of the USDA take note of the present amendment and the efforts of the distinguished Senator from Kentucky, but I certainly have no objection to the amendment.

Mr. FORD. I appreciate that.

Mr. President, I am not asking for a rollcall vote and will be happy with a voice vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Kentucky.

The amendment was agreed to.

AMENDMENT NO. 1571

Mr. DOLE. Mr. President, I call up my amendment in the nature of a substitute and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Kansas (Mr. DOLE), for himself and Messrs. MCGOVERN, HUMPHREY, TALMADGE, HUGH SCOTT, JAVITS, and PERCY, proposes an amendment in the nature of a substitute.

The amendment is as follows:

AMENDMENT NO. 1571

Strike all after the enacting clause and insert in lieu thereof the following:

SHORT TITLE

SECTION 1. This Act may be cited as the "National Food Stamp Reform Act of 1976".

DEFINITIONS

SEC. 2. Section 3 of the Food Stamp Act of 1964, as amended, is amended as follows:

(a) Subsection (e) is amended to read as follows:

"(e) The term 'household' means a group of individuals who are sharing common living quarters, but who are not residents of an institution or boardinghouse, and who have access to cooking facilities and for whom food is customarily purchased in common. Residents of federally subsidized housing for the elderly, built under either section 202 of the Housing Act of 1959 (12 U.S.C. 1701q) or section 236 of the National Housing Act (12 U.S.C. 1715z-1), shall not be considered residents of an institution or boardinghouse. The term 'household' also means (1) a single individual living alone who has access to cooking facilities and who purchases food for home consumption; (2) an elderly person who meets the requirements of section 10(h) of this Act; or (3) any narcotics addict or alcoholic who lives under the supervision of a private nonprofit organization or institution for the purpose of regular participation in a drug or alcoholic treatment and rehabilitation program. Notwithstanding any other provision of this subsection, households in which a member is eligible to participate in the nutrition program for the elderly under title VII of the Older Americans Act of 1965, or is authorized by section 10(h) of this Act to use coupons for meals on wheels, shall not be required to have cooking facilities.".

(b) Subsection (f) is amended by striking out the period at the end of the second sentence and inserting in lieu thereof the following: ", or any private nonprofit cooperative food purchasing venture in which the members pay for food purchased prior to receipt of such food. Such private nonprofit cooperative is authorized to redeem members' food coupons prior to receipt by the members of the food so purchased. Organizations and institutions specified in section 10(i) of this Act are not authorized to redeem coupons through banks.".

(c) Subsection (i) is amended to read as follows:

"(i) The term 'elderly person' means a person sixty years of age or over who is not a resident of an institution or boardinghouse.".

(d) Section 3 is amended by adding at the end thereof new subsections (o), (p), and (q) as follows:

"(o) The term 'nutritionally adequate diet' means a diet having the value of the food required to feed a family of four persons consisting of a man and a woman twenty through fifty-four; a child six through eight; and a child nine through eleven years of age, determined in accordance with the thrifty food plan developed in 1975 by the Secretary. The cost of such diet shall be the basis for uniform coupon allotments for all households regardless of composition, except for household size adjustments and adjustments to reflect economies of scale set forth in the thrifty food plan.

"(p) The term 'coupon vendor' means any person, partnership, corporation, organization, political subdivision, or other entity with which a State agency has contracted for, or to which it has delegated administrative responsibility in connection with, the issuance of coupons to households.

"(q) The term 'adjusted semiannually' means adjusted effective every January 1 and July 1 to reflect changes in the Consumer Price Index published by the Bureau of Labor Statistics in the Department of Labor for the preceding six months ending September 30 and March 31."

DISTRIBUTION OF FEDERALLY DONATED FOODS

SEC. 3. Section 4(b) of the Food Stamp Act of 1964, as amended, is amended to read as follows:

"(b) In areas where the food stamp program is in operation, there shall be no distribution of federally donated foods to households under the authority of any other law except that distribution thereunder may be made for such period of time as the Secretary determines necessary to effect an orderly transition on an Indian reservation on which the distribution of federally donated foods to households is being replaced by a food stamp program: *Provided*, That the Secretary shall not approve any plan submitted under this Act which permits any household to participate simultaneously in both the food stamp program and the distribution of federally donated foods: *Provided further*, That households may continue to receive such donated foods under separately authorized programs which permit commodity distribution on a temporary basis to meet disaster relief needs.".

ELIGIBLE HOUSEHOLDS

SEC. 4. Section 5 of the Food Stamp Act of 1964, as amended, is amended as follows:

(a) Subsection (b) is amended to read as follows:

"(b)(1) The Secretary shall establish uniform national standards of eligibility for participation by households in the food stamp program and no plan of operation submitted by a State agency shall be approved unless the standards of eligibility meet those established by the Secretary.

"(2)(A) The income standards of eligibility in every State (except Alaska and Hawaii) shall be the income poverty guidelines for the nonfarm United States prescribed by the Office of Management and Budget, as adjusted in accordance with clause (B) of this paragraph. The income standards of eligibility for Alaska and Hawaii shall be the nonfarm income poverty guidelines established pursuant to section 625 of the Economic Opportunity Act of 1964, as amended (42 U.S.C. 2971d), as adjusted in accordance with clause (B) of this paragraph.

"(B) The income poverty guidelines shall be adjusted semiannually (as that term is defined in section 3(q) of this Act) pursuant to section 625 of the Economic Opportunity Act of 1964, as amended (42 U.S.C. 2971d), to the nearest $1 increment. However, the first adjustment under this paragraph shall take effect on July 1, 1977, and shall be made by multiplying the income poverty guidelines published as of May 1, 1976, by the changes between the average 1975 Consumer Price Index and the Consumer Price Index for March 1977.

"(3) The Secretary shall utilize the preceding thirty-day period in determining income for purposes of eligibility and benefit levels of households: *Provided*, That a longer period may be used as determined by the Secretary for households in which all members receive income from sources such as self-employment, agriculture, contract work, and educational scholarships.

"(4) Notwithstanding the provisions of paragraph (3) of this subsection, a household that has suffered a substantial loss of earned income may immediately make application for participation in the food stamp program. Such application shall be processed in the same manner as that for other applicants except for the determination of the applicant household's income. At the time of such application, members of the household (who are not otherwise exempt) must register for employment under subsection (c) of this section and shall receive the same services under such subsection as any other applicant. At the end of the thirty-day period after the loss of income, the applicant household may present the verification of its income to the certifying authority and such authority shall issue the applicant household its authorization-to-purchase card immediately thereafter: *Provided*, That in the case of State agencies that use mechanized issuance systems, such agencies must have the authorization-to-purchase cards available upon presentation of the vertification of income and issued to the applicant household if such household is eligible for benefits under this Act, and such State agency must recoup any loss suffered because such initial authorization-to-purchase card was in error.

"(5) The Secretary shall also prescribe additional standards of eligibility with respect to the amounts of liquid and nonliquid assets a household may own. However, the Secretary may not propose any amendments

to the assets regulations in effect on March 31, 1976, until sixty days after the submission to Congress of the assets study report under section 20 of this Act.

"(6)(A) Household income for purposes of the food stamp program shall be the gross income of the household, as defined in paragraph (7) of this subsection, less (i) a standard deduction of $100 a month applicable to all households, except that the standard deduction for Puerto Rico, the Virgin Islands, and Guam shall be $60 a month; (ii) an additional deduction of $25 a month for any household in which there is at least one member who is age sixty or older, or any household which has at least $150 a month in earned income; and (iii) Federal, State, and local income taxes and social security taxes paid by employees under the Federal Insurance Contributions Act.

"(B) Effective July 1, 1977, the standard deduction shall be adjusted semiannually (as that term is defined in section 3(q) of this Act). Such adjustment shall be rounded to the nearest $5 increment.

"(7) Notwithstanding any other provision of law, gross income for purposes of the food stamp program shall include, but not be limited to, all money payments (including payments made pursuant to the Domestic Volunteer Services Act of 1973) and payments in kind, excluing:

"(A) payments for medical costs made on behalf of the household;

"(B) income received as compensation for services performed as an employee or income from self-employment by a child residing with the household who is a student and who has not attained his eighteenth birthday;

"(C) payments received under title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970;

"(D) infrequent or irregular income of a household which does not exceed $30 during any three-month period;

"(E) all loans, scholarships, fellowships, grants, and veterans educational benefits, except deferred educational loans, scholarships, fellowships, grants and veterans educational benefits to the extent they are not used for tuition and mandatory fees at an institution of higher education or school for the handicapped;

"(F) housing vendor payments made directly to landlords under programs administered by the Department of Housing and Urban Development;

"(G) payments received under the special supplemental food program for women, infants, and children authorized by section 17 of the Child Nutrition Act;

"(H) payments in kind derived from government benefit programs including, but not limited to, school lunch, medicare, and elderly feeding programs, and any payments in kind which cannot reasonably and properly be computed;

"(I) the cost of producing self-employed income;

"(J) Federal, State, and local income tax refunds, federal income tax credits, and retroactive payments under the Social Security Act: *Provided*, That the full amount of such refunds, credits, or payments shall be included in household resources; and

"(K) income specifically excluded by other Federal laws.

"(8) The Secretary may also establish temporary emergency standards of eligibility for the duration of the emergency, without regard to income and other financial resources, for households that are victims of a disaster which disrupts commercial channels of food distribution when he determines that (A) such households are in need of temporary food assistance, and (B) commercial channels of food distribution have again become available to meet the temporary food needs of such households.".

(b) Subsection (c) is amended to read as follows:

"(c)(1) Notwithstanding any other provision of law, the Secretary shall include in the uniform national standards of eligibility to be prescribed under subsection (b) of this section a provision that each State agency shall provide that a household shall not be eligible for assistance under this Act if it includes an able-bodied adult person between the ages of eighteen and sixty (except a parent or other member of the household who has the responsibility of care of a dependent child under the age of twelve or of an incapacitated person; a parent or other caretaker of a child or of an incapacitated person in households where there is another able-bodied parent who is subject to the requirements of this subsection; bona fide students in any accredited school or training program; or persons employed and working at least thirty hours per week) who without good cause either—

"(A) fails to register for employment at a State employment service office or, when impractical, at such other appropriate State or Federal office designated by the Secretary of Labor;

"(B) fails to inquire regularly about employment with prospective employers or otherwise fails to engage regularly in activities directly related to securing employment;

"(C) refuses to accept employment or public work at not less than the highest of (i) the applicable State minimum wage; (ii) the applicable Federal minimum wage; (iii) the applicable rates established by a valid regulation of the Federal Government authorized by existing law to establish such regulations; or (iv) if there is no applicable wage as described in subdivision (i), (ii), or (iii) of clause (C) of this paragraph, a wage which is not substantially less favorable than the wage normally paid for similar work in that labor market, but in no event less than three-fourths of the Federal minimum wage rates specified in section 6(a)(1) of the Fair Labor Standards Act; or

"(D) voluntarily quits any job unless the household of which such person is a member was certified for benefits under this Act immediately prior to such unemployment.

"(2) In carrying out its responsibilities under this subsection, the State employment service shall comply with regulations which the Secretary of Labor shall issue in consultation with the Secretary. The Secretary of Labor, in issuing the regulations, shall conform them as closely as possible to the work incentive program requirements set forth under title IV of the Social Security Act, taking into account the unique requirements under the work incentive program, including the provision for social services. To the maximum extent possible, taking into account the diversity of the food stamp work registrant population and varying registrant needs, the Secretary of Labor shall provide manpower training, employment services and opportunities, and supportive services, including child care services of the type available under the work incentive program.

"(3) In the event of a failure of the State employment service to comply with the regulations issued under paragraph (2) of this subsection, the Secretary of Labor is authorized to assume the responsibilities of such State employment service. From the sums appropriated to carry out this Act, there are authorized to be allocated for transfer to the Secretary of Labor (A) for fiscal year 1977 not more than $100,000,000 and (B) for each succeeding fiscal year such sum as may be jointly determined by the Secretary and the Secretary of Labor to be necessary for the Secretary of Labor to carry out his responsibilities under this section. The Secretary shall transfer such sums as are allocated for transfer to the Secretary of Labor. The Secretary of Labor is authorized to make grants or enter into agreements with public or private agencies or organizations in order to carry out his responsibilities under this Act.

"(4) Refusal to work at a plant or site subject to a strike or lockout for the duration of such strike or lockout shall not be deemed to be a refusal to accept employment.

"(5) For the purposes of this section, the term 'ablebodied adult person' shall not include any narcotics addict or alcoholic who regularly participates, as a resident or nonresident, in any drug addiction or alcoholic treatment and rehabilitation program.".

(c) Section 5 is amended by adding at the end thereof new subsections (e) through (i) as follows:

"(e) No individual shall be eligible to participate in the food stamp program unless he is a resident of the United States, and is either (1) a citizen or (2) an alien lawfully admitted for permanent residence or otherwise permanently residing in the United States under a color of law (including any alien who is lawfully present in the United States as a result of the application of the provisions of section 203(a)(7) or section 212(d)(5) of the Immigration and Nationality Act). If, in the application process it becomes known, or the State agency has reason to believe, that an alien has entered or remained in the United States illegally, the State agency shall submit to the Department of Justice information indicating that the applicant may be an illegal alien.

"(f) No household shall be eligible to participate, or to continue to participate, in the food stamp program, if it refuses to submit to the State agency necessary information for a determination as to the household's eligibility to participate in the program. No household shall be eligible to participate in the food stamp program for a period of up to one year after it has been found either by a court of appropriate jurisdiction to have been guilty of a crime involving fraud in connection with its participation in the food stamp program, or by a State agency, after hearing and notice, to have fraudulently obtained coupons. The Secretary shall require every participating household that experiences changes in its eligibility or benefit status to report to the State agency, within 10 days of the date upon which such changes become known to the household, any change in monthly income in excess of $25 and any other change in household's eligibility or benefit status. If a household fails to fulfill this reporting requirement, its coupon allotment for the next certification period shall be reduced to reflect the impact of the changes at the time when they should have been reported.

"(g) No individual shall be considered a household member for food stamp program purposes if such individual (1) has reached his eighteenth birthday; (2) is enrolled in an institution of higher education, and (3) is properly claimed or could properly be claimed as a dependent child for Federal income tax purposes by a taxpayer who is not a member of an eligible household.

"(h) No household that knowingly transfers liquid or nonliquid assets for the purpose of qualifying or attempting to qualify for the food stamp program shall be eligible to participate in the program for such period of time as may be determined in accordance with regulations issued pursuant to this Act, but in no event shall such period of time be less than thirty days from the date of discovery of the transfer.

"(i) No individual who receives supplemental security income benefits under title XVI of the Social Security Act, State supplementary payments described in section 1616 of such Act, or payments of the type referred to in section 212(a) of Public Law 93-66, as amended, shall be considered to be a member of a household or an elderly person for purposes of this Act for any month,

if, for such month, such individual resides in a State which provides State supplementary payments (1) of the type described in section 1616(a) of the Social Security Act, and (2) the level of which has been found by the Secretary of Health, Education, and Welfare to have been specifically increased so as to include the bonus value of food stamps.".

ISSUANCE AND USE OF COUPONS

SEC. 5. Section 6 of the Food Stamp Act of 1964, as amended, is amended by redesignating subsections (b) and (c) as subsections (d) and (e), respectively, and inserting new subsections (b) and (c) as follows:

"(b)(1) The Secretary shall by regulation develop an appropriate procedure for determining and monitoring the level of coupon inventories in the hands of coupon vendors for the purpose of insuring that such inventories are at proper levels (taking into consideration the historical and projected volume of coupon distribution by such vendors). Any such regulations shall contain procedures to insure that coupon inventories in the hands of coupon vendors are not in excess of the reasonable needs of such vendors taking into consideration the case and feasibility of resupplying such coupon inventories. The Secretary may, at his discretion, require periodic reports from such coupon vendors respecting the level of such inventories.

"(2) Any coupon vendor, or any officer, employee, or agent thereof, convicted of failing to provide a report required under paragraph (1) of this subsection shall be fined not more than $3,000, or imprisoned not more than one year, or both.

"(3) Any coupon vendor, or any officer, employee, or agent thereof, who knowingly provides false information in any report required under paragraph (1) of this subsection shall be fined not more than $10,000, or imprisoned not more than ten years, or both.

"(c)(1) The Secretary shall by regulation prescribe appropriate procedures for the delivery of coupons to coupon vendors and for the custody, care, control, and storage of coupons in the hands of coupon vendors in order to secure such coupons against theft, embezzlement, misuse, loss, or destruction.

"(2) Any coupon vendor, or any officer, employee, or agent thereof, convicted of violating any regulations issued under paragraph (1) of this subsection shall be fined not more than $3,000, or imprisoned not more than one year, or both.".

VALUE OF THE COUPON ALLOTMENT AND CHARGES TO BE MADE

SEC. 6. Section 7 of the Food Stamp Act of 1964, as amended, is amended as follows:

(a) Subsection (a) is amended to read as follows:

"(a) The face value of the coupon allotment which State agencies shall be authorized to issue to any households certified as eligible to participate in the food stamp program shall be in such amount as will provide such households a coupon allotment sufficient to allow them to purchase a nutritionally adequate diet as defined in section 3(o) of this Act: *Provided*, That in no event shall the face value of the coupon allotments used in Puerto Rico, the Virgin Islands, and Guam exceed those in the fifty States. The face value of the coupon allotment shall be adjusted semi-annually by the nearest dollar increment that is a multiple of two to reflect changes in the prices of food published by the Bureau of Labor Statistics in the Department of Labor. Such changes shall be made in January and July of each year based upon the cost of food in the preceding August and February, respectively. In no event shall such adjustments be made for households of a given size unless the increase in the face value of the coupon allotment for such households, as calculated in accordance with this subsection, is a minimum of $2.".

(b) Subsection (b) is amended to read as follows:

"(b) Households shall be charged for the coupon allotment issued to them, and the amount of such charge shall be 25 per centum of the household's income rounded to the nearest whole dollar, as determined in accordance with section 5(b) of this Act: *Provided*, That for single-person households and two-person households the minimum benefit shall be $10 per month. The Secretary shall provide a reasonable opportunity for any eligible household to elect to be issued a coupon allotment having a face value which is less than the face value of the coupon allotment authorized to be issued to the household under subsection (a) of this section. The charge to be paid by an eligible household electing to exercise the option set forth in this subsection shall be an amount which bears the same ratio to the amount which would have been charged under subsection (b) of this section as the face value of the coupon allotment actually issued to the household bears to the face value of the coupon allotment that would have been issued to the household under subsection (a) of this section.".

(c) Subsection (d) is amended by inserting "(1)" immediately after "(d)" and adding at the end thereof the following new paragraphs:

"(2)(A) The Secretary shall by regulation prescribe the manner in which funds derived from the distribution of coupons (charges made for coupon allotments) shall be deposited by coupon vendors. The regulations shall contain provisions requiring that coupon vendors promptly deposit such funds in the manner prescribed by the Secretary: *Provided*, That such regulations shall, at a minimum, require that such deposits be made weekly: *Provided further*, That such regulations shall, at a minimum, require that upon the accumulation of a balance on hand of $1,000 or more, such deposits be made within two banking days following the accumulation of such amount.

"(B) Any coupon vendor, or any officer, employee, or agent thereof, convicted of violating the regulations issued under subparagraph (A) of this paragraph shall be fined not more than $3,000, or imprisoned not more than one year, or both.

"(3)(A) Coupon vendors receiving funds derived from the distribution of coupons (charges made for coupon allotments) shall be deemed to be receiving such funds as fiduciaries of the Federal Government, and such coupon vendors shall immediately set aside all such funds as funds of the Federal Government. Funds derived from the distribution of coupons (charges made for coupon allotments) shall not be used, prior to the deposit of such funds in the manner prescribed by the Secretary, for the benefit of any person, partnership, corporation, association, organization, or entity other than the Federal Government.

"(B) Any coupon vendor, or any officer, employee, or agent thereof, convicted of violating subparagraph (A) of this paragraph shall be fined not more than $10,000, or a sum equal to the amount of funds involved in the violation, whichever is the greater, or imprisoned not more than ten years or both: *Provided*, That if the amount of such funds is less than $1,000, such vendor shall be fined not more than $3,000, or imprisoned not more than one year, or both.

"(4)(A) The Secretary shall by regulation require that upon the deposit, in the manner prescribed by the Secretary, of funds derived from the distribution of coupons (charges made for coupon allotments), coupon vendors shall immediately send a written notice to the State agency, accompanied by an appropriate voucher, confirming such deposit. In addition to such other information deemed by the Secretary to be appropriate, such regulations shall require that the notice contain—

"(i) the name and address of the coupon vendor;

"(ii) the total receipts of such coupon vendor derived from the distribution of coupons (charges made for coupon allotments) during the deposit period;

"(iii) the amount of the deposit;

"(iv) the name and address of the depository; and

"(v) an oath, or affirmation signed by the coupon vendor, or in the case of a corporation or other entity not a natural person, by an appropriate official of the coupon vendor, certifying that the information contained in such notice is true and correct to the best of such person's knowledge and belief.

"(B) Any coupon vendor, or any officer, employee, or agent thereof, convicted of failing to provide the notice required under subparagraph (A) of this paragraph shall be fined not more than $3,000, or imprisoned not more than one year, or both.

"(C) Any coupon vendor, or any officer, employee, or agent thereof, who knowingly provides false information in any notice required under subparagraph (A) of this paragraph shall be fined not more than $10,000, or imprisoned not more than ten years, or both.

"(5)(A) The Secretary shall by regulation require each coupon vendor at intervals prescribed by the Secretary, but not less often than monthly, to send to the Secretary, or his designee, a written report of the vendor's operations during such period under the food stamp program. In addition to such other information deemed by the Secretary to be appropriate, the regulations shall require that the report contain—

"(i) the name and address of the coupon vendor;

"(ii) the total receipts of the coupon vendor derived from the distribution of coupons (charges made for coupon allotments) during the report period;

"(iii) the total amount of deposits made by the vendor of funds derived from the distribution of coupons (charges made for coupon allotments) during such period;

"(iv) the name and address of each depository receiving such funds from such vendor; and

"(v) an oath, or affirmation, signed by the coupon vendor, or in the case of a corporation or other entity not a natural person, by an appropriate official of the coupon vendor, certifying that the information contained in the report is true and correct to the best of such person's knowledge and belief.

"(B) Any coupon vendor, or any officer, employee, or agent thereof, convicted of failing to provide any notice required under subparagraph (A) of this paragraph shall be fined not more than $3,000, or imprisoned not more than one year, or both.

"(C) Any coupon vendor, or any officer, employee, or agent thereof, who knowingly provides false information in any notice required under subparagraph (A) of this paragraph shall be fined not more than $10,000, or imprisoned not more than ten years, or both.

"(6) The Secretary may by regulation require State agencies to provide periodic reports to the Secretary, or his designee, containing a consolidation of the respective coupon vendor's notices to such State agencies at such intervals as the Secretary in his discretion deems appropriate.

"(7) The Secretary and the United States Postal Service shall jointly arrange for the prompt deposit of funds collected by the Postal Service on behalf of a State from charges made for coupon allotments.".

ADMINISTRATION

SEC. 7. Section 10 of the Food Stamp Act of 1964, as amended, is amended as follows:

(a) Subsection (a) is amended by inserting "(1)" immediately after the subsection designation and adding at the end thereof a new sentence and a new paragraph (2) as follows: "To encourage the purchase of nutritious foods, the Extension Service of the Department of Agriculture, with the technical assistance of the Food and Nutrition Service, shall extend its food and nutrition education program to the greatest extent possible to reasonably reach food stamp program recipients. The program shall be further supplemented by the development of printed materials designed to teach low-income persons how to buy and prepare more nutritious and economical meals. From the funds appropriated to carry out this Act, the Secretary is authorized to allocate to the Extension Service such sums as the Secretary determines necessary to implement the program of nutrition education.

"(2) Federal agencies that administer programs for needy people, including, but not limited to, supplemental security income and social security programs, shall make every reasonable attempt to inform recipients of those programs (who are potentially eligible for the food stamp program) of the existence of the food stamp program and its income and resource guidelines.".

(b) Subsection (e) is amended by revising clause (5) to read as follows: "(5) that the State agency shall undertake effective action, including the use of services provided by other federally funded agencies and organizations, to inform low-income households concerning the availability and benefits of the food stamp program;".

(c) Subsection (c) is further revised (1) by inserting in clause (7) after the word "law", the following: ", and at the option of the State agency"; (2) by deleting "and" preceding clause (8) and striking the period at the end of clause (8); and (3) by adding the following new clauses (9) and (10): "; (9) for the prompt payment to households of the bonus value of any coupon allotment which has been wrongfully denied, delayed, or terminated as a result of any administrative error on the part of the State agency: *Provided,* That application for such payment shall be filed not later than three months after the household has knowledge of such error and any such payment shall not exceed the bonus value of any such coupon allotment to which the household is determined to be entitled for a three month period: *Provided further,* That the period for which such coupon allotment may be paid shall be extended by such time, in excess of three months, as may be required to complete administrative review of the alleged wrongful denial; and (10) the institution of procedures under which the State agency shall undertake effective action to (A) determine promptly the eligibility of applicant households by providing an opportunity for each household to receive and file an application for participation in the food stamp program on the same day of such household's first reasonable attempt to make an oral or written request for such application, and (B) complete the certification of all eligible households and provide an authorization to purchase card to such households not later than thirty days after the filing of such applications.".

(d) Subsection (f) is amended to read as follows:

"(f) (1) If the Secretary determines that in the administration of the program there is a failure by a State agency to comply with the provisions of this Act, or with the regulations issued pursuant to this Act, or with the State plan of operation, he shall inform such State agency of such failure and allow the State agency a specified period of time for the correction of such failure. If the State agency does not correct such failure within the specified period of time, the Secretary may alternatively or concurrently (A) refer the matter to the Attorney General with a request that an injunction be sought to require compliance by the State agency and, at the suit of the Attorney General in an appropriate United States district court the State agency may be so enjoined, or (B) direct that there be no further issuance of coupons in the political subdivisions where such failure has occurred until such time as satisfactory corrective action has been taken.

"(2) If any State fails substantially to carry out the State plan of operation under section 10(e) of this section (including any quality control plan) approved by the Secretary for such State for such year, the Secretary shall withhold from the State an amount equal to 10 per centum of the funds which would otherwise be payable to such State under section 15(b) for such fiscal year for administrative expenses.".

(e) Subsection (g) is amended by striking out the word "gross" in the first sentence thereof.

(f) Subsection (h) is amended by striking out the first sentence and inserting in lieu thereof the following: "Subject to such terms and conditions as may be prescribed by the Secretary in the regulations issued pursuant to this Act, household members who are elderly, housebound, feeble, physically handicapped, or otherwise disabled, to the extent that they are unable to prepare adequately all of their meals, may use coupons issued to them to purchase meals prepared for and delivered to them by a political subdivision or by a private nonprofit organization which (1) is operated in a manner consistent with the purposes of this Act; and (2) is recognized as a tax-exempt organization by the Internal Revenue Service.".

(g) Subsection (i) is amended by striking out ", (2), and (3)" in the first sentence thereof and inserting in lieu thereof "and (2)".

(h) Section 10 is amended by adding at the end thereof new subsections (j) and (k) as follows:

"(j) The Secretary, in conjunction with the Secretary of Health, Education, and Welfare, is authorized to prescribe regulations permitting applicants and recipients of supplemental security income benefits under title XVI of the Social Security Act to apply for food stamps at supplemental security income certification offices. In accordance with the regulations issued by the Secretary, certification of food stamp eligibility in such offices shall be conducted by State agency personnel, and employees of the Social Security Administration in such offices shall refer supplemental security income applicants and recipients to the appropriate State agency personnel in order that the application and certification for food stamp assistance may be accomplished as efficiently and conveniently as possible.

"(k) In areas where there are numerous persons who speak a language other than English, multilingual personnel and printed material shall—where necessary—be used in the administration of the food stamp program.".

SETTLEMENT AND ADJUSTMENT OF CLAIMS

SEC. 8. Section 12 of the Food Stamp Act of 1964, as amended, is amended by adding at the end thereof the following new sentence: "Such claims include, but are not limited to, claims arising from fraudulent and nonfraudulent overissuances to recipients.".

CRIMINAL PENALTIES

SEC. 9. Subsections (b) and (c) of section 14 of the Food Stamp Act of 1964, as amended, are amended by striking out "$5,000" and inserting in lieu thereof "$1,000".

ADMINISTRATIVE EXPENSES

SEC. 10. Section 15 of the Food Stamp Act of 1964, as amended, is amended as follows:

(a) Subsection (b) is amended—

(1) by striking out "The" and inserting in lieu thereof the following: "Except as provided in subsection (c) of this section, the"; and

(2) by inserting at the end of clause (1) and immediately before the semicolon the following: ", exclusive of those households in which all members are receiving assistance under federally aided public assistance programs".

(b) Section 15 is amended by adding at the end thereof a new subsection (c) as follows:

"(c) Notwithstanding any other provision of this Act, the Secretary is authorized to pay to each State agency an amount equal to 75 per centum of all direct costs of State food stamp program investigations, prosecutions, and State activities related to recovering losses sustained in the food stamp program, except for the costs of such activities with respect to households in which all members are receiving assistance under federally aided public assistance programs.".

PILOT PROJECT AUTHORITY; EARNINGS CLEARANCE SYSTEM STUDY; ASSETS STUDY

SEC. 11. The Food Stamp Act of 1964, as amended, is amended by adding at the end thereof new sections 18 through 21 as follows:

"PILOT PROJECT AUTHORITY

"SEC. 18. In carrying out the provisions of this Act, the Secretary is authorized to carry out on a trial basis, in one or more areas of the United States, but in no event for more than 10 percent of the participating population of any State, experimental projects for purposes of increasing the program's efficiency and delivery of benefits to eligible households. Except for the pilot project mandated by section 21 of this Act, no project shall be implemented which would lower or further restrict the resource and income limitations; or increase the purchase requirement, provided for under this Act."

"STUDY OF EARNINGS CLEARANCE SYSTEM

"SEC. 19. The Secretary is authorized and directed to conduct a study of the feasibility and advisability of the establishment of an earnings clearance system (which system shall be consistent with the Privacy Act of 1974 (5 U.S.C. 552a), insofar as it provides for the use of information from records of Federal agencies, and with any other applicable privacy law insofar as it provides for the use of information from non-Federal records) for the purpose of checking the actual income and assets of a household against those reported by such household. The Secretary shall submit a written report to the Congress within one year after the date of enactment of this section, disclosing the results of such study. The report shall include such explanations and comments as the Secretary deems appropriate.

"ASSETS STUDY

"SEC. 20. The Secretary shall conduct a survey of households participating in the food stamp program for the purpose of determining the average assets and distribution of assets held by participants. The Secretary shall submit a written report to the Congress within one hundred and eighty days after the date of enactment of this section, disclosing the results of such survey. The report shall include such explanations and comments as the Secretary deems appropriate.

"PILOT PROJECT ON ELIMINATION OF PURCHASE REQUIREMENT

"SEC. 21. Within ninety days after the date of enactment of this section, the Secretary shall implement a pilot project testing the effect of elimination of the purchase requirement specified in section 6 of this Act. Such project shall be carried out in a statistically significant number of project areas, or parts of project areas, not fewer than 10, in geographically dispersed urban and rural regions, and shall employ a benefit reduction ratio of not higher than 30 per centum of household income. Not later than March 1,

1977, the Secretary shall report to the Congress on the progress of such project, including statistical information on participation rates, changes in food consumption patterns, impact on benefit costs and administrative costs, and other observations and recommendations which he may deem appropriate. From the sums appropriated to carry out this Act, the Secretary is authorized to allocate not more than $20,000,000 to carry out his responsibilities under this section."

CONFORMING AMENDMENTS

SEC. 12. (a) section 3 (b) and section 4(c) of Public Law 93-86 are repealed.

(b) The last sentence of section 416 of the Act of October 31, 1949 (as added by section 411(g) of Public Law 92-603), is repealed.

(c) Section 8(c) of Public Law 93-233 is amended by striking out "section 3(e) of the Food Stamp Act of 1964 (as amended by subsection (a) of this section) and subsections (b) (3) and (f)" and inserting in lieu thereof "section 5(j) of the Food Stamp Act of 1964, as amended, and subsections (b) (3) and (e)".

(d) Section 8(e) of Public Law 93-233 is amended by striking out everything through "during such period," and inserting in lieu thereof "The amendment made by subsection (d) shall not".

ESTABLISHMENT OF ADDITIONAL ASSISTANT SECRETARY OF AGRICULTURE

SEC. 13. (a) There shall be hereafter in the Department of Agriculture, in addition to the Assistant Secretaries now provided by law, an Assistant Secretary of Agriculture for Food and Nutrition Programs who shall (1) be appointed by the President, by and with the advice and consent of the Senate, and (2) receive compensation at the rate now or hereafter prescribed by law for Assistant Secretaries of Agriculture.

(b) Section 5315 of title 5 of the United States Code is amended by striking out "(4)" at the end of paragraph (11) and by inserting in lieu thereof "(5)".

Mr. DOLE. Mr. President, I might say very briefly that I hope we can discuss this amendment more fully tomorrow.

This is a substitute that has been worked out with the cooperation of the distinguished chairman of the committee, the Senators mentioned as cosponsors, and others who are interested in two things.

First of all, reform of the food stamp program, as the Senator from Kansas indicated earlier, to ignore those who should not be participating, and secondly, to make certain that those who are in the poverty class and the poverty level can participate.

That, in essence, is the substance of the substitute.

It seems to me that in exchange for support of the substitute, the Senator from Kansas and the Senator from South Dakota and others are dropping their insistence that we eliminate the purchase requirement.

This Senator believes that with the changes made in the substitute, we will make it possible for more of those who are truly in need to participate, and that is the sole aim of the program.

I do not know of any member of the Senate Agriculture Committee who holds a different view, or held a different view at the time of the hearings.

Mr. President, I ask unanimous consent that a table comparing S. 3136, the Agriculture Committee food stamp bill, and the substitute amendment I introduced along with Senators MCGOVERN, HUMPHREY, TALMADGE, and HUGH SCOTT, be printed in the RECORD.

Mr. ALLEN. Reserving the right to object, Mr. President, may I inquire of the Chair at what point the point of order must be raised as to the amendment, without running the risk of waiving the point of order?

The PRESIDING OFFICER. The point of order, the Chair is advised, can be raised at any moment up to action on the amendment.

Mr. ALLEN. Very well. I have no objection.

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

DIFFERENCES BETWEEN THE COMMITTEE BILL AND THE PROPOSED SUBSTITUTE

PROVISION	COMMITTEE BILL	ADDITIONAL COST OVER COMMITTEE BILL [1]
(1) Provides for semi-annual adjustment of the "standard deduction" according to changes in the Consumer Price Index. The first adjustment would take effect on July 1, 1977—based on Consumer Price Index changes over the six months ending March 1977. Subsequent adjustments would take place each January and July—based on Consumer Price Index changes over the six months ending in September and March, respectively. All adjustments would be rounded to the nearest $5.	The Committee bill has a fixed "standard deduction" that does not vary over time.	No Cost.
(2) Provides for semi-annual adjustment of the "poverty levels" according to changes in the Consumer Price Index. The first adjustment would take effect on July 1, 1977—based on Consumer Price Index changes from the average level in 1975 to the level for March 1977. Subsequent adjustments would take place each January and July—based on Consumer Price Index changes over the six months ending September and March, respectively.	The Committee bill provides that "poverty levels" be updated *annually* based on changes in the Consumer Price Index. Annual adjustments are to be made based on changes in the Consumer Price Index from the average of one year to the next. The first adjustment would be made in April 1977 (the assumption used in cost estimates).	Minimal Cost.
(3) Sets the "standard deduction" for Puerto Rico, the Virgin Islands, and Guam at $60 per household per month (vs. $100 per household per month for the 50 States and D.C.).	The Committee bill has a $100 per household per month "standard deduction" applicable to all areas (including territories).	—$52 million.
(4) Provides an additional $25 a month deduction for households with earned income over $150 a month.	The Committee bill has no comparable provision.	+$78 million.
(5) Mandates that "ATP" Cards be issued 30 days after application, for the recently unemployed. Also provides for recoupment of any "over-issued" benefits due to this mandate.	The Committee bill mandates a special "speeded-up" application process for the recently unemployed, but, in areas where there is mechanized issuance, households who are recently unemployed might have to wait 45-60 days after application to actually receive their "ATP" card.	Minimal Cost.
(6) Freezes existing assets eligibility standards until 60 days after a repor' on assets holdings (and recommendations for legislation) have been submitted to Congress.	The Committee bill grants the Secretary discretion to set assets standards and mandates a study of the assets holdings of food stamp recipients within 180 days of enactment.	No Cost.
(7) Deletes the $15,000 limitation on income-producing property and tools used in a trade or business.	The Committee bill requires that only the first $15,000 worth of income-producing property be disregarded in counting assets.	+$15 million.

Footnotes on following page.

DIFFERENCES BETWEEN THE COMMITTEE BILL AND THE PROPOSED SUBSTITUTE—Continued

PROVISION	COMMITTEE BILL	ADDITIONAL COST OVER COMMITTEE BILL [1]
(8) Excludes from income VA education benefits and educational grants and fellowships *to the extent used for tuition and mandatory fees,* in addition to the bill's exclusions.	The Committee bill excludes from income deferred student loans and scholarships *to the extent used for tuition and mandatory fees.*	Minimal Cost.
(9) Counts income tax refunds and tax credits as *assets.*	The Committee bill counts income tax refunds and tax credits as *income.*	
Counts retroactive Social Security Act payments as *assets.*	The Committee bill counts all retroactive "lump-sum" payments as *income.*	Minimal Cost.
(10) Mandates that the "poverty levels" for Puerto Rico, the Virgin Islands, and Guam be the same as those for the continental U.S.	No provision specifying what the "poverty levels" for Puerto Rico, the Virgin Islands, and Guam should be.	No Cost.[2]
(11) Excludes from income employer-provided housing (a type of non-cash income).	Counts as income the value of employer-provided housing—up to a ceiling of $25 a month.	Minimal Cost.
(12) Exludes from income the income specifically excluded by other Federal laws.	No comparable provision.	Minimal Cost.
(13) Deletes the provision making minors ineligible if they are not living with the person legally responsible for their support.	The Committee bill makes ineligible minors who are not living with the person legally responsible for their support unless the person does not exist, cannot be found, or cannot supply support.	Minimal Cost.
(14) Deletes authority for monthly income reporting system and puts into law current rules on reporting. Allows recoupment of "over-issued" benefits if a household does not fulfill reporting requirements. However, it is expected that the Secretary of Agriculture will require (1) households whose income is likely to change to be certified on a monthly basis and (2) that all households be given written instructions and forms on how to report changes in income and other circumstances.	The Committee bill gives the Secretary authority to require monthly income reporting (even if there are no changes in income).	−$2 million.
(15) To be disqualified for fraudulent participation, a household would have to be found guilty in court or by a State welfare agency (after a proper hearing).	Provides for the disqualification of households found to be participating fraudulently.	No Cost.
(16) Sets the purchase price at 25 percent of net income.	The Committee bill sets the purchase price at 27.5 percent of net income.	+$330 million.
(17) Restricts authority for pilot projects by mandating that they cannot reduce income and assets eligibility criteria or raise the percent of income charged as a purchase price—except for the pilot project on elimination of the purchase price. No pilot project can cover more than 10 percent of the participating population in each State.	The Committee bill has no limit on pilot project authority.	No Cost.
(18) Mandates a pilot project on elimination of the purchase price—to cost no more than $20 million.	The Committee bill has no comparable provision. It allows pilot projects in general.	+$20 million.

[1] In fiscal 1977 only.
[2] This was assumed in the bill's cost estimates.

Mr. ALLEN. I would like to ask the Senator a number of questions.

Mr. DOLE. Mr. President, I ask unanimous consent that the Senator from Illinois (Mr. PERCY) be added as a cosponsor to the substitute.

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

Mr. ALLEN. Will the Senator yield?

Mr. DOLE. I yield.

Mr. ALLEN. What is the number of the Senator's amendment?

Mr. DOLE. There is no number. There will be a number when the amendment has been printed.

Mr. ALLEN. I have been hearing something about a mystical substitute for many days now but thus far I have not been furnished with a copy of the substitute. Are copies available?

Mr. DOLE. Yes, they will be available in printed form tomorrow morning. I would be very happy to deliver to the distinguished Senator from Alabama a typewritten copy of the substitute.

Mr. ALLEN. How much of an increase over the present bill does the Senator, by his estimate, feel this substitute would run?

Mr. DOLE. It is the impression of the Senator from Kansas that without amendments, and there may be amendments offered and adopted—I assume the Senator from Alabama has an amendment and others may have amendments—if the substitute is adopted in its present form, as introduced by the Senator from Kansas and others, it would save about $240 million.

Mr. ALLEN. I do not believe the Senator understood my question. How much would it add to the cost of the committee bill?

Mr. DOLE. It would add about $390 million.

Mr. ALLEN. $390 million added rather than $140 million saved?

Mr. DOLE. As the Senator from Kansas understands, the cost impact of the committee bill will be a savings of $30 million. In the event the substitute of the Senator from Kansas were adopted in its present form, there would be a saving of $241 million.

Mr. ALLEN. The Senator, then, is basing his assumption on the assumption that the committee bill would, in fact, save some $630 million. Has that estimate, as a result of figures recently furnished by the Budget Office, the Agricultural Department, and various staff members, been knocked into a cocked hat and instead does not the committee bill only save about $200 million?

Mr. DOLE. The Senator from Kansas has not heard of that. Cost savings have been estimated by the U.S. Department of Agriculture and the Congressional Budget Office. The current service budget office, as I understand it, is about $6.3 million under the committee bill, and it would be a saving of about $630 million.

Mr. ALLEN. The assumptions that the Department of Agriculture gave us in committee, on which I serve along with the distinguished Senator from Kansas, were based on the fact that the department at that time figured that the average deduction ran around $114 a month, whereas they have now esti-

mated that the average deduction runs only about $77 per month. Since each $1 of deduction translates into a $10 million expense, actually the Department of Agriculture estimate was off about a mere $400 million, I believe. If the Senator has not ascertained that fact, I think it might be well for him to check on that, in saying that this bill would effect a savings and it would increase the committee bill by some $400 million, which is not a small amount.

Tomorrow, Mr. President, I will raise the point of order.

Mr. DOLE. I might say to the Senator from Alabama that it is my understanding, from the cost analyst in the Food and Nutrition Service in USDA, that there are no new figures. If there are figures, the Department of Agriculture is not aware of them; this Senator is not aware of them. The Senator from Alabama asked for additional figures, and I am certain they will be discussed at length in debate.

The Senator from Kansas believes, as the Senator from Alabama does and others on the committee, that we should reform the program. That means, yes, that we cut back the cost, if we can; yes, that we cut off those who should not be participating. At the same time, reform of the program means that we make it possible for those who have not been participating, who are totally eligible, to have that opportunity. That is where the real difference in savings comes.

Many of the amendments offered by the distinguished Senator from Nebraska earlier today had some merit. But, unfortunately, in most cases they were directed to the very people who do not now participate to the fullest because of income limitations and resources.

The Senator from Kansas would hope that after a full discussion of the substitute, and after the adoption, perhaps, of some worthwhile amendments, we could proceed and pass the food stamp bill so that we can have real reform.

The Senator from Kansas is not convinced that the new guidelines promulgated and issued by the Department of Agriculture will be implemented without considerable litigation. It seems to this Senator that the Congress has an obligation to move quickly to reform the program.

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

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. TALMADGE. 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. TALMADGE. Mr. President, I rise in support of the proposed substitute amendment.

The bill reported by the Senate Committee on Agriculture and Forestry is a very good bill. It would make the broad and sweeping reforms that the food stamp program so badly needs to restore its credibility in the eyes of the American people. For this reason, I would prefer to see S. 3136 passed without any substantial amendments.

However, I have been in the U.S. Senate long enough to know that the exercise of Government is the achievement of the possible. It is rare that any Member of Congress succeeds in getting everything he wants in a bill of major importance.

As I pointed out in my opening statement on the committee bill, the most destructive amendment that could be offered is an amendment that would eliminate the purchase requirement.

The no-purchase amendment would destroy the food stamp program as a nutrition program. It would be the first step toward a national guaranteed annual income program.

Moreover, giving away free food stamps would cost upwards of $2 billion a year, thus sending us further down the road to fiscal irresponsibility.

However, as strongly as I oppose the no-purchase amendment, I am enough of a realist to recognize that there probably are enough votes in this body to secure its adoption.

I feel that the President surely would veto the food stamp bill if amended by the no-purchase proposal, thus eliminating all chances of legislative reform of the food stamp program this year.

Therefore, I must reluctantly agree to support the proposed substitute as the best available compromise.

Even though this compromise will wipe out most of the savings that would be effected by the committee bill, it would still permit a savings of approximately $240 million in fiscal year 1977.

The most desirable feature of the compromise proposal is that, while it does make several changes in the committee bill, it does not in any way destroy the basic reform that the committee bill provides.

Under the proposed compromise, we would retain the committee bill's provision of a standard deduction in lieu of itemized deductions.

We would still limit participation to the households with net incomes at or below the Federal poverty level.

We would still greatly simplify the administration of the program, thus avoiding many costly embarrassing errors.

We would retain the tough work registration provisions in the committee bill.

We would cut down on abuse by students and others who were not meant to receive food stamps.

We would retain the tough provisions to prevent vendor fraud and abuse.

We would retain the system of retrospective accounting to determine eligibility.

We would retain various provisions giving the Secretary better means of enforcing tight administration on the part of State agencies.

We would retain the several provisions for the strengthening of the penalties in the antifraud provisions of the Food Stamp Act.

In short, with the adoption of the substitute, the Senate food stamp reform bill is still a bill of which we can be proud. It is a better bill than I would have thought that the Senate would have been able to have passed a year ago.

I believe that the fact that we are able to agree on such a compromise proposal shows that the Senate is hearing the voice of the people.

Senators realize that their constituents are fed up with the flagrant abuses in the food stamp program and therefore, members of various persuasions are willing to give a little bit in order to achieve meaningful food stamp reform this year.

The supporters of this compromise have indicated their willingness to give up all their pet amendments and to oppose all amendments if the substitute is adopted.

I hope that the other Members of the Senate will join in full support of the compromise and vote against other costly amendments which will no doubt be offered.

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

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER. Without objection, it is ordered.

ADDITIONAL STATEMENT SUBMITTED ON S. 3136

Mr. TOWER. Mr. President, here in the Senate today we are debating the National Food Stamp Reform Act of 1976. This is a notable occasion in that it is the first time in history that the Senate has addressed itself to the huge and difficult task of food stamp reform. Never have we attempted to deal with this multifaceted and multimillion dollar program on a comprehensive basis.

S. 3136 was reported out of the Senate Agriculture Committee with mixed feelings. The bill is a conglomeration of the myriad food stamp proposals which have been introduced this Congress and incorporates some of the best and some of the worst features of all of them. This legislation makes significant changes in the areas of eligibility, available benefits, administration and regulations of the program, and penalties for food stamp program violations. It is estimated that the bill before us would eliminate 1.37 million higher income food stamp recipients and increase benefits for most lower income recipients.

Mr. President, the food stamp program has been one of the most commendable efforts ever undertaken by the Federal Government—in theory, at least. Nevertheless, the food stamp program as we now know it has recently been plagued by soaring costs, countless reports of mismanagement and corruption, and proliferating waste. In our laudable zeal to help needy Americans to obtain a nutritionally adequate diet, we have watched this program grow from a $40 million investment in 1975 to a fiscal leviathan which will devour nearly $6 billion of our tax dollars this year. The number of people using food stamps has increased from 1 out of every 439 per-

sons in 1965 to 1 out of 13 today, with a staggering 1 out of every 4 Americans conceivably eligible.

It is my contention that few Americans begrudge helping their less fortunate fellow citizens if they are truly in need. The argument is over how far to extend our humanitarian feelings, and what really constitutes need. There is undoubtably some point at which the Nation will have met the nutritional needs it recognized back in 1965. I believe that, if we have not met the need, we have at least reached the point where we have expended enough of our resources to have done so. These resources must be redirected, and the growth of the Federal food stamp program must be curbed.

It is time to end the explosion in transfer payments which have engorged the Federal budget. It is up to us here in the Senate, as we debate S. 3136, to carefully assess this legislation to ascertain whether it truly eliminates the roots of escalating costs, profligate waste and corruption, or whether it exacerbates these problems. We must determine if S. 3136 is a reform bill in the admirable sense of the word.

In order to make an objective assessment of the food stamp program, we should ask ourselves what the purposes of the program are. Is the food stamp program designated to provide a nutritious diet for the poor? Is it intended as a welfare subsidy or as a permanent supplement to other welfare programs? Moreover, what effect does this massive Government program have in driving up the cost of living for everyone?

In exercising any meaningful food stamp program reform, we must establish specific guidelines for the program. First, we must establish definitive criteria for who is eligible. Second, we must determine what is an appropriate level for benefits. Third, we must have a streamlined program in which there is as little redtape and bureaucratic mismanagement as is possible in a Federal endeavor.

The supporters of S. 3136 have touted this legislation as conservative, yet compassionate. I submit that, while the bill is compassionate, it is not conservative. Indeed, far from tightening up many of the provisions of the food stamp program, this legislation liberalizes them. In order to illustrate my point. I would like to cite a few examples. In addressing the question of eligibility, I believe we have failed to deal adequately with the problem of nonneedy eligibles. S. 3136 ostensibly limits eligibility to those at or below the official poverty line—$5,500.

In fact, however, the maximum income level for eligibility is approximately 146 percent of the poverty index. This is so because not only does S. 3136 allow a standard deduction, but it also allows the exclusion from gross income of social security taxes and State, local and Federal income taxes. We have then established a maximum income of about $7,818 for a family of four. I contend that, while $7,818 does not permit a family of four to live in the lap of luxury, it is not poverty.

I submit further that the National Food Stamp Reform Act invites abuse because of the lack of any meaningful assets test. S. 3136 leaves to the Secretary of Agriculture the responsibility for determining countable assets, which is the situation at present. Under current law, the only assets limitation is $1,500 in liquid and nonliquid assets, exclusive of a home, a car, or other kinds of personal property. It is inconceivable to me that we can permit a provision that places no dollar limit on the value of a house, car, or any kind of personal property ad infinitum. The food stamp program was instituted to help provide nutritional assistance. An effective assets test is necessary to insure that individuals establish reasonable priorities for their expenditures. We must provide food stamps only to those who legitimately need them.

S. 3136 is fraught with numerous other examples of how we allow those who are nonneedy or nondeserving to live off our Federal magnanimity. This legislation continues to allow strikers—the voluntarily unemployed—to qualify for food stamps. I submit that a refusal to work because of a strike or other labor dispute, regardless of how justifiable the dispute, is a voluntary refusal to accept employment, and furthermore, places the Government on the side of the labor unions in a settlement and gives labor an unfair advantage which manifests itself in the ultimate burden on the taxpayer in both the increased cost of the settlement and increased cost of goods. The taxpayer should not be asked to underwrite the costs of labor disputes any more than he already does.

Then there are the students. While eliminating from food stamp eligibility those students who are dependent on families who are not eligible for food stamps, the legislation continues to allow students who are independent to obtain food stamps. It is my contention that students fall into the category of the voluntarily unemployed. Let me emphasize that I think it admirable that any young person desires to further his education, and moreover, I recognize that in our society today a college education is a virtual necessity for future economic success.

Nevertheless, the Federal Government is already subsidizing the postsecondary education of large numbers of young people through various grants and student loan programs. The Federal food stamp program must not be yet another massive Government program to fund educational pursuits. I believe that any young person who wants a college education badly enough can work himself through school, at least part time, and can get by without depending on the Federal Government for food subsidies.

Mr. President, I have dwelt on the inadequacies of the legislation presently before us, and I reiterate that I do not believe that S. 3136 satisfactorily addresses the failures of the Federal food stamp program. Nevertheless, this legislation does make some improvements over the present system. The bill does, for instance, make an effort to simplify the administration of the program and will, perhaps, cut down on the volume of abuse. For the first time we have set an upper income limit—although I have already stated that I feel it is too high. Hopefully, too, for the first time we have instituted real work incentives for some of the food stamp recipients. It is estimated, too, that S. 3136 will shave millions of dollars off the expense of the program and millions of nonneedy recipients off the rolls. I must concede that the National Food Stamp Reform Act is at least a step in the right direction, but I find it extremely unfortunate that we have not made further advances in eliminating the problems and abuses which plague this potentially viable nutritional assistance program.

ORDER FOR RECOGNITION OF SENATOR HASKELL TOMORROW, DESIGNATION OF PERIOD FOR ROUTINE MORNING BUSINESS, AND ORDER FOR RESUMPTION OF THE UNFINISHED BUSINESS AT 1 P.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow after the two leaders have been recognized under the standing order, the Senator from Colorado (Mr. HASKELL) be recognized for not to exceed 15 minutes, after which there be a period for the transaction of routine morning business not to extend beyond the hour of 1 o'clock p.m., at which time the Senate resume the consideration of the unfinished business.

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

ORDER THAT MESSAGE FROM THE HOUSE ON HOUSE JOINT RESOLUTION 491 BE HELD AT THE DESK

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a message from the House of Representatives on House Joint Resolution 491, to extend support under the joint resolution providing for Allen J. Ellender fellowships to disadvantaged secondary school students, and for other purposes, be held at the desk pending further disposition.

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

LIMITATION ON STATEMENTS DURING THE TRANSACTION OF ROUTINE MORNING BUSINESS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that statements during the period for the transaction of routine morning business tomorrow be limited to 5 minutes each.

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

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene at 12 noon tomorrow.

After the two leaders or their designees have been recognized under the standing order, the Senator from Colorado (Mr. HASKELL) will be recognized for not to exceed 15 minutes, after which there will be a period for the transaction of routine morning business not to extend beyond the hour of 1 p.m., with statements therein limited to 5 minutes

each; and after routine morning business is concluded, the Senate will resume the consideration of the unfinished business, S. 3136, to reform the Food Stamp Act of 1964. Amendments and/or motions in relation to that bill and/or the substitute by Mr. DOLE, amendment No. 1571, will be subject to debate and rollcall votes. I think it can be appropriately estimated that there will be rollcall votes tomorrow afternoon.

ADJOURNMENT

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until the hour of 12 o'clock noon tomorrow.

The motion was agreed to; and at 6:05 p.m. the Senate adjourned until tomorrow, Wednesday, April 7, 1976, at 12 meridian.

NOMINATIONS

Executive nominations received by the Senate April 6, 1976:

FEDERAL TRADE COMMISSION

Thomas Sowell, of California, to be a Federal Trade Commissioner for the unexpired term of 7 years from September 26, 1969, vice Lewis A. Engman, resigned.

IN THE ARMY

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 3962:

To be general

Gen. Melvin Zais, [redacted] Army of the United States (major general, U.S. Army).

IN THE NAVY

Rear Adm. Forrest S. Petersen, U.S. Navy, having been designated for commands and other duties determined by the President to be within the contemplation of title 10, United States Code, section 5231, for appointment to the grade of vice admiral while so serving.

EXTENSIONS OF REMARKS

MIKE MANSFIELD

HON. LEE METCALF

OF MONTANA

IN THE SENATE OF THE UNITED STATES

Tuesday, April 6, 1976

Mr. METCALF. Mr. President, I cannot exactly remember when I first met MIKE MANSFIELD. It was during the time that I was going to law school and he was an assistant professor of Far Eastern History at the University of Montana. I came to know him and respect him early. He was elected to the House of Representatives while I was in the Army in World War II. He had achieved the remarkable record of serving in all three branches of service in World War I. I suspect that the Marines was his favorite branch. At least when President Truman attempted to eliminate the Marine Corps as a separate force, MIKE MANSFIELD was one of the most vehement defenders of that branch and helped achieve a victory that inspired President Truman to quote Mayor LaGuardia that when he made a mistake he made a beaut.

In the House, MIKE was a whip, a member of the Foreign Affairs Committee, a leader in conservation. He was a valued and trusted emissary for both President Truman and President Eisenhower.

When I returned from World War II, I was elected to the Montana Supreme Court. My term on the court expired at the same time as the term of the Republican incumbent of the Senate expired. MIKE ran for the U.S. Senate and I ran for his seat in the House of Representatives. Thus began a relationship in Congress that has been rewarding down to the present day.

When the late Senator James E. Murray retired in 1960, I was elected to succeed him. That was the year that Senator John F. Kennedy, who came to the Senate the same year as MIKE, was elected President. MIKE who had been Democratic whip and assistant Democratic floor leader under Lyndon Johnson was the leading candidate for floor leader to succeed Johnson who had been elected Vice President. In the Democratic caucus, even before I was sworn in as U.S. Senator, it was my privilege, because I was the junion Senator from Montana, to nominate my colleague for majority leader. He was unanimously elected and has been continuously elected in every Congress since. Looking back on my own legislative accomplishments, I suppose those nominations are my most significant contributions to the Senate. At any rate, I was privileged to nominate MIKE every time and I never lost a case. That is evidence that if you have an overwhelming candidate you can be pretty sure that you will win.

Much has been said and will be said about MIKE MANSFIELD's stature as a national figure. Senator MANSFIELD as the majority leader of the U.S. Senate for a longer period than any other person; both as Congressman and Senator an adviser to Presidents; Senator MANSFIELD as a recognized expert on foreign affairs; Senator MANSFIELD as a unique example of a U.S. Senator in all that term means. But Senator MANSFIELD never ceased to be a Senator from Montana and for Montana. The special concerns and the interests of his Montana constituents were always high in his legislative priorities. That is why he was so universally beloved all over Montana. He may have been an ambassador extraordinary in foreign capitals, a leader in national affairs on the floor of the Senate, but when he returned to Montana, he was MIKE to thousands of constituents.

So we will miss MIKE as our leader, as our friend, as a valued supporter of the spirit and institution of the Senate, but I will especially miss the relationship that grows between two Senators from the same State. I will miss him as all my colleagues will miss him, but in addition in the next session will lose the consideration and the friendship he has shown to the junior Senator from Montana.

SOUTH AFRICA

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 6, 1976

Mr. BOB WILSON. Mr. Speaker, South Africa is one of our staunchest allies, but the United States persists in its course of nonrecognition of these close ties of friendship. Perhaps it is because we tend to think of South Africa as a country where a white minority subjugates a black majority, ruling over it in almost feudal fashion.

I believe that we are being too simplistic in our judgment of the country. I believe that the social, economic, and political atmosphere that exists in South Africa is much more complex and needs to be studied. In my opinion, we are judging emotionally rather than rationally, and have not examined all the circumstances and conditions that make up South Africa.

The South African Secretary for Information, Dr. Eschel Rhoodie, spoke recently to the Bull Elephants Club here in Washington and the points he made as set forth in the following article may help explain or add to our knowledge of South Africa's modern day social and political situation and the hopes and plans the country has for the future.

[From South African Scope, February 1976]

(By Dr. Eschel Rhoodie, South African Secretary for Information)

For intelligent people to applaud dialogue and détente between black and white in Africa while continuing to shut their eyes to the need for a reappraisal of the ethnic and social complexities of South Africa or to the real merits of what the white governing society is pursuing through separate development (for "apartheid" as it is still erroneously and mischievously referred to) would be a deliberate act of intellectual negligence.

The Republic of South Africa is a microcosm of the world's ethnic and political complexities. Since South Africa is an imperfect society and since no policy applied to a complex situation anywhere in the world is perfect, we expect and appreciate well-founded criticism of the way in which we have set about restructuring our society. We have made mistakes in the past and we will probably commit some more mistakes in the future. However, the vehement criticism in some American circles, political and academic, about the restructure of South Africa is too often unfounded. The lack of perspective and balance is so striking (and sometimes so persistent) that I am inclined to substitute outright intellectual dishonesty for intellectual negligence as the reason for this state of affairs.

DOUBLE STANDARDS PRACTISED IN THE UNITED NATIONS

If these politicians and news commentators have not allowed themselves to be taken in by the political expediency and double standards practised daily in the United Nations, then their criticism of the broad pattern of development in South Af-