mother—he was heavily sedated and braced so the pain wouldn't show—knowing it would probably be their last time together.

Clyde Webber became president of the giant AFGE after longtime president John F. Griner won re-election, then stepped down because of an illness that was to kill him shortly. Mr. Griner, the opposite in many ways of the quiet, unassuming Webber, was convinced that his No. 2 man was the best for the job. He fought his own illness long enough to give Webber time to get settled in and make his own mark. Webber won re-election overwhelmingly at the next convention.

Clyde Webber was always refreshing in a political business where toughness, bluster and bullying are considered desirable traits if one wants to be a winner. He simply refused to play the game that way, and won anyhow.

At staff meeting, Webber constantly surprised longtime aides by being better briefed than his own staff. He read everything he could because, as he said, "I like to learn something every day. That way I'm more valuable to the federation."

When he wasn't on duty, which he usually was, Webber loved to talk about anything but the labor movement. Largely self-educated, he was fascinated by history, current events and politics. When it came time for gossip—the staff of life in this town—Webber would listen politely but never, join in.

He rarely socialized with staffers off duty. He said he was afraid his presence might make some subordinates uneasy "and spoil the party" or that he might be accused of playing favorites.

Reporters who cover unions, labor leaders, politicians or any other "beat" hear lots of bad things about the principals. What was always intriguing to media-types covering AFGE was that they never heard anything—even from fierce political rivals—scandalous about Webber.

Opponents would say he didn't understand their position; that he acted too quickly, or not quickly enough. But he was never, even in whispers or unsigned letters, accused of acting unfairly or of taking the easy, politic way out if it meant letting his union members down, or compromising his own personal honor code.

Democratic presidential candidate Morris K. Udall (D. Ariz.) called the family to tell Mrs. Webber of his high personal regard for her husband. No votes there. He meant it. So did others—VIPs and just folks—who had genuine affection and respect for Clyde Webber.

The memorial service begins today at 10:30 a.m. at Marvin Memorial Methodist Church, Silver Spring. Lots of people will say lots of nice things about Clyde Webber. The main speaker plans to eulogize him as one of America's greatest labor leaders.

He was better than that. He was a good man.

UAW SPEAKS OUT AGAINST PROPOSED SYNTHETIC FUEL LOAN GUARANTEE LEGISLATION

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, June 18, 1976

Mr. OTTINGER. Mr. Speaker, the UAW's concern that H.R. 12112 the $4 billion loan guarantee bill for synthetic fuels will involve "a very expensive and one-sided partnership with large energy corporations" that could have the taxpayers taking all the risks and the corporations the profits, hits the nail on the head. I hope all my colleagues will read the following letter from Dick Warden, legislative director of the UAW which he sent to the members of the House Commerce Committee June 14.

In these last weeks of this session of Congress we must not grab energy packages which could indeed be Pandora's box.

The article follows:

JUNE 14, 1976.

DEAR REPRESENTATIVE: The UAW opposes H.R. 12112, the proposed synthetic fuels legislation as reported by the Committee on Science and Technology.

We are concerned about the question of the long-run availability of fuels in the United States. We feel it is important that our government work energetically to develop new technologies—both to conserve existing energy resources and to expand the range of resources which could be economically harnessed to meet our energy needs. We therefore agree with the objectives of the proposed legislation—to speed the development of production technologies which may ultimately make synthetic fuels competitive with fuels derived from petroleum.

Our basic concern with H.R. 12112 is that the bill may go well beyond government-financed research and development operations and involve the federal government in a very expensive and one-sided partnership with large energy corporations.

The bill would permit the administrator of the Energy Research and Development Administration to provide up to $4 billion in loan guarantees for commercial projects to produce synthetic fuel. This could easily encourage the energy corporations to dash headlong into large-scale production projects using government-guaranteed capital on a heads-I-win, tails-you-lose basis.

If the projects succeed, the corporations reap the profits. If the projects fail, the taxpayers pick up the bill. The taxpayers are asked to take all the risks—but they have no prospect of sharing in any of the potential gains.

There are some areas of the economy—such as housing—where loan guarantees may be an appropriate form of federal intervention, because the problem is simply to make credit markets work better. They do not strike us as appropriate in an area such as synthetic fuel production, where the risks of loss—and the possibilities for profit—are both high.

Beyond this basic problem, the bill does not contain adequate safeguards against potential abuses. A corporation might take out a mammoth loan—possibly as great as $1 billion or more—and try its hand at synthetic fuel production, however half-heartedly. In a variety of ways, expenses from the corporation's other operations and perquisites for its executives might be charged off to the project. The bill itself provides no limits on the company's right to default on the loan, although some such limits may be set out in the regulations or the guarantee contract (Sec. 18(g)(11)). In the case of default, the bill itself requires only that the assets "associated with the demonstration facility" can be recovered through law suit, although additional security may also be provided in the guarantee contract (Sec. 18(g)(3)). There is some protection—but we think not enough—in the requirement that the loan guarantee shall not exceed 75 percent of the total cost of a demonstration facility (Sec. 18(c)(2)). Furthermore, the ability of Congress to veto specific loan guarantees is severely limited. Only if the demonstration facility will cost more than $200 million can the Congress veto a proposed loan guarantee—and then only within 90 days and by action of both houses.

An alternative approach would be for the federal government to finance a limited number of demonstration projects in the area of synthetic fuel production. The construction and operation of these projects could be subcontracted—through competitive bidding and under strict supervision, to avoid the well-known abuses that have plagued the cost-plus approach to subcontracting. The government could be required to sell off the facility after a specified number of years. If the project were to fail, the government would sell off the remaining equipment and try to salvage some of its investment. If the project were to succeed, the government would have already realized some profits and then could sell the project at a price that would reflect its future earnings potential.

We think this would represent a more prudent and responsible approach to contributing to the development of technology and fuel production—rather than an approach which holds out the prospect of tremendous gains for some giant energy corporations and no gains for the American taxpayers.

Sincerely,

DICK WARDEN,
Legislative Director.

SENATE—*Monday, June 21, 1976*

(Legislative day of Friday, June 18, 1976)

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by the Acting President pro tempore (Mr. METCALF).

PRAYER

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

Our Father God, at the beginning of another week of toil and challenge, we turn our wistful hearts to Thee. The awareness of Thy presence is the answer to every prayer when we live a life of prayer. For framing laws and forming national policies grant us wisdom and strength. Help us to live and work worthily of the public trust reposed in us. Come to us in the common tasks and vividly draw near to us in the difficult hours and in the moment of high decision. May we go to our duties with dauntless faith, having no fear save that of failing Thee.

In the Redeemer's name we pray. Amen.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Journal of the proceedings of Friday, June 18, 1976, be approved.

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

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

WAIVER OF CALL OF THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the call of the legislative calendar for unobjected-to measures, under rule VIII, be dispensed with.

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

COMMITTEE MEETINGS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet until 1 p.m. today.

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

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Does the Senator from Pennsylvania seek recognition?

Mr. HUGH SCOTT. Mr. President, Monday is off to a good start and I think I will not disturb it.

I yield back the remainder of my time.

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 for not to extend beyond the hour of 10:30 a.m.

Mr. HUGH SCOTT. 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.

ORDER FOR FIRST VOTE ON TREATY OF FRIENDSHIP AND COOPERATION WITH SPAIN TO OCCUR AT 3:15 P.M. TODAY

Mr. MANSFIELD. Mr. President, as in executive session, I ask unanimous consent that on the two rollcall votes on the Treaty of Friendship and Cooperation with Spain, Executive E, the first vote occur at the hour of 3:15 p.m. and that the second vote follow immediately thereafter, the second vote to consume only 10 minutes in contrast to the first vote of 15 minutes.

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

ORDER FOR VOTES ON CERTAIN TREATIES TO OCCUR AT 12:30 P.M. TODAY—EXECUTIVE B, A, G, AND F

Mr. MANSFIELD. Mr. President, as in executive session, I ask unanimous consent that the other treaties and conventions, Executive B, Executive A, Executive G, and Executive F—all 94th Cong., 2d sess.—occur at the hour of 12:30 p.m. today.

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

TECHNICAL AND CLERICAL CORRECTIONS—SENATE JOINT RESOLUTION 203

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of Senate Joint Resolution 203.

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

ORDER FOR RECESS UNTIL 9 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 9 a.m. tomorrow morning.

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

ORDER FOR CONSIDERATION OF UNFINISHED BUSINESS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders or their designees have been recognized on tomorrow, and after the recognition of any Senators under orders previously entered, the Senate resume consideration of the unfinished business.

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

Mr. ROBERT C. BYRD. 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.

ROUTINE MORNING BUSINESS

(Routine morning business transacted today is printed later in today's RECORD of Senate proceedings.)

EXECUTIVE SESSION

THE TREATY OF FRIENDSHIP AND COOPERATION WITH SPAIN: EXECUTIVE E, 94TH CONGRESS, 2D SESSION

The ACTING PRESIDENT pro tempore. Under the previous order, the hour of 10:30 a.m. having arrived, the Senate will now go into executive session and proceed to the consideration of Executive E, 94th Congress, 2d session, the Treaty of Friendship and Cooperation With Spain, on which there shall be 2 hours of debate.

The clerk will report the treaty.

The second assistant legislative clerk read as follows:

Executive E, 94th Congress, 2d session, the Treaty of Friendship and Cooperation with Spain.

The ACTING PRESIDENT pro tempore. The treaty is now before the Senate as in Committee of the Whole.

The Treaty of Friendship and Cooperation with Spain, which was considered to have been read the second time, is as follows:

TREATY OF FRIENDSHIP AND COOPERATION BETWEEN SPAIN AND THE UNITED STATES OF AMERICA

The Governments of Spain and of the United States of America;

Impelled by their shared concern for the maintenance of world peace and security;

Affirming that their cooperation is beneficial for the security of both countries; strengthens the defense of the West; plays an important part in the security arrangements for the North Atlantic and Mediterranean areas; and contributes to the achievement of their shared goals;

Desiring to reaffirm and strengthen the friendship between their peoples and to continue and enrich the cooperative relationship which exists between the two countries, in the spirit of the Declaration of Principles between Spain and the United States of America, of July 19, 1974;

Agree as follows:

ARTICLE I

The close cooperation between the two countries on all matters of common concern or interest will be maintained and developed on a basis of sovereign equality. This cooperation shall encompass economic, educational, cultural, scientific, technical, agricultural, and defense matters, as well as other matters upon which they may mutually agree.

The Governments of Spain and the United States of America will keep their cooperation in all these areas under continuous review and seek to identify and adopt all appropriate measures for carrying out this cooperation in the most effective manner possible with a view to maintaining a balance of benefits, equal and effective participation of both parties, and coordination and harmonization of their efforts with those which may be being made in other bilateral and multilateral contexts.

For these purposes, a Spanish-United States Council is established under the chairmanship of the Foreign Minister of Spain, and the Secretary of State of the United States of America. The functions and organization of the Council are set forth in Supplementary Agreement Number One. The Council will meet at least semi-annually.

ARTICLE II

Given the increasing international importance of economic affairs, the two parties will seek to develop their economic relations so as to ensure mutual benefit under conditions of equitable reciprocity and to promote, in particular, cooperation in those fields which facilitate development. That cooperation shall also take into account the impact which the state of the economy of each country has on its defense efforts. Their economic relationship will be carried out in accordance with Supplementary Agreement Number Two.

ARTICLE III

Given the relations of friendship which exist between the peoples of Spain and the United States of America, and recognizing that science and technology are essential factors in meeting the growing needs and in furthering the general economic development of both countries, the two Governments will carry out a broad program of scientific and technical cooperation for peaceful purposes. In the framework of that cooperation, they will direct their efforts principally to areas having the most significance to the social and economic welfare of their peoples, and to developmental progress. Their relations in these areas will be carried out

in accordance with Supplementary Agreement Number Three.

ARTICLE IV

In order to continue to expand their cooperation in the educational and cultural fields with a view to furthering the familiarity of their peoples with the important cultural achievements of the other and to strengthen the friendship and understanding between their peoples which provide the necessary foundation for the overall cooperative relationship between the two countries, their relations in these areas will be carried out in accordance with Supplementary Agreement Number Four.

ARTICLE V

Having recognized that their cooperation has strengthened the security of the Western World, and contributed to the maintenance of world peace, there is established a defense relationship between Spain and the United States of America. Consistent with the Declaration of Principles of July 19, 1974, they will, through this defense relationship, seek to enhance further their own security and that of the Western World. To such end, they will seek to develop the appropriate plans and coordination between their respective armed forces. This coordination will be carried out by a coordinating body as set forth in Supplementary Agreement Number Five.

To further the purpose of this Treaty, the United States of America may use specific military facilities on Spanish territory, in accordance with the provisions set forth in Supplementary Agreement Number Six. The two parties will also, for these ends, cooperate in the acquisition as well as the production of appropriate materiel for their armed forces, in accordance with the provisions of Supplementary Agreement Number Seven.

ARTICLE VI

In view of the contribution the use of the facilities mentioned in Article V makes to the defense of the West, the parties, through mutually agreed steps, will seek on the basis of reciprocity and equality to harmonize their defense relationship with existing security arrangements in the North Atlantic area. To this end, they will, periodically, review all aspects of the matter, including the benefits flowing to those arrangements from the facilities and make such adjustments as may be mutually agreed upon.

ARTICLE VII

This Treaty and its Supplementary Agreements shall enter into force upon the exchange of instruments of ratification between the two Governments and will remain in force for five years, whereupon they may be extended for an additional five years period if the parties so agree.

ARTICLE VIII

In order to facilitate the withdrawal of the personnel, property, equipment and materiel of the Government of the United States of America located in Spain pursuant to Article V of this Treaty and its Supplementary Agreements, a period of one year from the termination of the Treaty is provided for the completion of withdrawal which will begin immediately after such termination. During that one year period, all the rights, privileges and obligations deriving from Article V and its Supplementary Agreements shall remain in force while United States forces remain in Spain.

DONE in Madrid, this 24th day of January, 1976, in duplicate, in the English and Spanish languages, both texts being equally authentic.

For the United States of America: HENRY A. KISSINGER.

For Spain. ——— ———.

SUPPLEMENTARY AGREEMENT ON THE UNITED STATES-SPANISH COUNCIL

(Number 1)

ARTICLE I

The United States-Spanish Council will be responsible for overseeing the implementation of the Treaty of Friendship and Cooperation. It will review the cooperation under that Treaty; examine any problems which may arise as well as measures which might be taken to deal with them; consider steps to facilitate or improve United States-Spanish cooperation; and submit to the Governments such findings and recommendations as may be agreed. The Council will also be charged with carrying out the consultations provided for in Article III of Supplementary Agreement Number Six.

ARTICLE II

The Council will be chaired by the Secretary of State of the United States and the Foreign Minister of Spain, and will meet at least semiannually. Each Chairman will have a Deputy who will serve as Permanent Representative on the Council and assure its functioning in the absence of his Chairman. The Chairman of the Joint Chiefs of Staff of each party or their designated representatives will be permanent military representatives on the Council. The parties shall designate such other representatives and advisors to the Council and its subsidiary bodies as they deem appropriate, taking into account the variety of matters which may be before the Council at any particular time, and the need for adequate representation on the Council from responsible ministries and departments.

ARTICLE III

The Council will have under its aegis a Joint Economic Committee, a Joint Scientific and Technological Affairs Committee, a Joint Educational and Cultural Affairs Committee, and a Joint Committee for Politico-Military Administrative Affairs. It may form such other committees and subsidiary bodies as may be deemed appropriate to facilitate the performance of the Council's functions.

The Committees and other subsidiary bodies will seek to resolve problems and advance cooperation in their areas of competence to the fullest extent possible without formal referral to the Council. They shall periodically report to the Council on matters which have come before them, actions taken, progress made, and make appropriate recommendations to the Council.

The Council will be assisted by a Permanent Secretariat under the joint direction of a United States and a Spanish Secretary, with appropriate staffing mutually agreed upon.

ARTICLE IV

In order to establish the necessary coordination between them and to ensure greater effectiveness of the reciprocal defense support granted by each to the other, the two parties agree to establish a Joint Military Committee dependent on the Council, composed of the two Chiefs of the Joint Chiefs of Staff, or their designated representatives, which shall meet semi-annually.

Dependent on this Committee and as a working body, there shall be constituted a Combined Military Coordination and Planning Staff, as provided in the Supplementary Agreement on Bilateral Military Coordination.

The respective co-directors of the Combined Staff shall serve as permanent representatives of the Chairman of the Joint Military Committee.

ARTICLE V

For the purpose of obtaining the maximum effectiveness in cooperation for Western defense, the United States-Spanish Council, as one of its basic objectives, will work toward development of appropriate coordination with the North Atlantic Treaty Organization. In furtherance of this purpose, the Council will establish by mutual agreement a commission formed by members of the two contracting parties which shall propose to the Council specific measures to promote the establishment of meaningful coordination.

ARTICLE VI

The Council will have its seat at Madrid, where it will be provided with suitable facilities by the Government of Spain.

The administrative support for meetings of the Council and its subordinate bodies will be provided by the Spanish Government inasmuch as it is the seat of the Council. Permanent administrative costs of the Council, including salaries of any employees of the Council, will be shared equally. Each party will bear the cost of its own participation in the work of the Council including salaries of its members of the Secretariat.

The representatives, advisors, experts and other participants of each party in the work of the Council or its subordinate bodies shall enjoy diplomatic privileges and immunities when in the territory of the other, in accordance with the norms to be agreed.

ARTICLE VII

This Agreement will enter into force and remain in force contemporaneously with the Treaty of Friendship and Cooperation between the United States and Spain.

DONE in Madrid, this 24th day of January, 1976, in duplicate, in the English and Spanish languages, both texts being equally authentic.

For the United States of America: HENRY A. KISSINGER.

For Spain: ——— ———.

SUPPLEMENTARY AGREEMENT ON ECONOMIC COOPERATION

(Number 2)

ARTICLE I

In their economic relations, the United States and Spain will be guided by their shared desire to encourage economic growth, trade expansion, and other economic relations among nations, and by the principles contained in the Treaty of Friendship and Cooperation.

ARTICLE II

The two Governments reaffirm their determination to intensify their commercial relations and to take all appropriate steps to encourage the growth of their respective exports. In order that this growth may take place on a basis acceptable to both parties, they will seek to avoid the development of a disequilibrium that could be mutually disadvantageous to their overall economic relationship. To this end, the two Governments will seek to avoid imposing restrictions on the flow of trade between them in accordance with their obligations under the General Agreement on Tariffs and Trade and other existing international agreements.

ARTICLE III

The two Governments agree on the desirability of having a normal flow of United States direct investment to Spain, and to that end they will endeavor to arrive at appropriate and mutually agreeable measures to facilitate such an investment flow, within the limits of their respective laws and international obligations.

ARTICLE IV

Both Governments recognize the importance of the role played by the Export-Import Bank of the United States both in stimulating the purchase of United States capital goods by Spanish enterprises and in assisting the progress of Spain's energy and industrial development programs, and therefore they

will seek to strengthen these financial relations in the future.

To this end, the Export-Import Bank of the United States, in order to contribute to Spain's development, is currently prepared to commit credits and guarantees of approximately $450 million for Spanish companies.

ARTICLE V

The Government of Spain reiterates its objective of achieving its full integration in the European Economic Community, and the Government of the United States declares its favorable understanding of this Spanish objective. The two Governments agree to maintain contact in seeking to arrive at mutually satisfactory solutions of any problems that may arise for either of them in this connection.

ARTICLE VI

In order to facilitate achievement of the goals established in Article II, the two Governments will reinforce their consultations regarding the most appropriate manner in which Spain can qualify for the benefits of the generalized system of preferences provided for in the United States Trade Act of 1974.

ARTICLE VII

The two Governments reaffirm their interest in carrying out a regular program of consultations on all economic matters of mutual interest. To that end, they agree to establish a Joint Economic Committee under the United States-Spanish Council. The Joint Economic Committee will monitor bilateral economic relations, discuss matters of mutual interest, seek to resolve problems which may arise, and make appropriate recommendations for furthering their economic cooperation.

ARTICLE VIII

This agreement will enter into force and remain in force contemporaneously with the Treaty of Friendship and Cooperation between the United States and Spain. It supersedes the Agreement of July 15, 1968, establishing a United States-Spanish Economic Committee.

DONE in Madrid, this 24th day of January, 1976, in duplicate, in the English and Spanish languages, both texts being equally authentic.

For the United States of America: HENRY A. KISSINGER.

For Spain: —— ——.

SUPPLEMENTARY AGREEMENT ON SCIENTIFIC AND TECHNOLOGICAL COOPERATION

(Number 3)

ARTICLE I

The common efforts of the two Governments under their program of scientific and technological cooperation will, in conformity with the Treaty of Friendship and Cooperation, be directed principally to those fields of applied research and technological development having the most significance to the social and economic welfare of the peoples of the United States and Spain. In this context, the fields of energy, industrialization, environmental and urban problems, agriculture, and natural resources are recognized as having particular importance to developmental progress. Both Governments will give early and special emphasis to these fields within the program of cooperation.

ARTICLE II

Cooperation between the two Governments will be based on the following principles:

(a) mutuality of interest;

(b) selection of specific scientific and technical sectors of major interest; and

(c) preparation of plans for collaboration between institutions and entities of the two countries.

Their cooperation and activities in the fields of science and technology will be subject to the legislative requirements of the two countries, including the annual appropriation of funds.

ARTICLE III

Cooperation may take such forms as deemed appropriate, including but not limited to:

(a) joint or coordinated planning, support, or implementation of projects and the supply of equipment;

(b) exchange of scientific and technological information, subject to the conditions agreed to by the two countries;

(c) establishment, operation, and utilization of scientific and technical installations related to individual projects; and

(d) exchange of scientific and technical personnel related to the cooperative projects and activities contained in this agreement.

ARTICLE IV

Cooperative programs and activities may be the subject of specific agreements for their appropriate implementation.

ARTICLE V

Scientific and technical cooperation shall be effected as follows:

(a) annual programs composed of sets of specific projects financed by contributions from the United States Government;

(b) special programs in which each participant will, in general, bear the costs pertaining to its obligations;

(c) funding for annual and special programs shall be subject to the availability of the necessary funds.

ARTICLE VI

Cooperation in science and technology shall be coordinated through the Joint Committee for Scientific and Technological Cooperation which shall be responsible for:

(a) formulation of an annual program of scientific and technical cooperation between the countries;

(b) review of all programs, activities, and operations, including the preparation of an annual report; and

(c) the Joint Committee may recommend to the Governments modification, postponement, or termination of programs, where warranted, after consultation with all affected agencies and institutions.

ARTICLE VII

The annual program of scientific and technical cooperation, under this Agreement, shall be established through exchange of notes between the Ministry of Foreign Affairs and the Embassy of the United States at Madrid, or through formal decision of the United States-Spanish Council, acting on the basis of recommendations of the Committee.

ARTICLE VIII

Scientific and technical information of a non-proprietary nature resulting from cooperation under this Agreement shall be made available to the world scientific community through customary channels in accordance with normal procedures.

The disposition of any patents, know-how, and other proprietary property derived from the cooperative activities shall be provided for in the specific agreements referred to in Article IV.

ARTICLE IX

Each Government will facilitate, consistent with law, the entry and exit of equipment and material to be utilized in cooperative activities under this Agreement, as well as the personal effects of scientific and technical personnel and their families.

ARTICLE X

Nothing in this Agreement shall preclude or prejudice scientific and technological cooperation outside the terms of this Agreement by institutions of the United States or Spain or by nationals of either country with each other or with third parties.

ARTICLE XI

Institutions, organizations, or entities of third countries may participate in cooperative programs or activities with the joint approval of the Governments of the United States and Spain.

ARTICLE XII

Programs and activities currently in force and established by the competent authorities shall not be affected by this Agreement. However, they may be included in this Agreement when both Governments so decide.

ARTICLE XIII

In the field of energy, both Governments consider that cooperation in research and development in nuclear and nonnuclear aspects of energy and energy conservation is important. To increase cooperation in energy research and development, both Governments will endeavor to remain within the framework of cooperation in the context of the International Energy Agency and will ensure that, to the maximum extent possible, appropriate research linkages are maintained with that organization and its member countries.

ARTICLE XIV

With respect to nuclear cooperation for peaceful purposes, the areas of interest for both countries which shall receive early consideration in the development of cooperative programs and institutional agreements will include: basic physics research, reactor technology, fuel safety and treatment, radioactive metrology, contamination, and radioactive wastes.

ARTICLE XV

Cooperation in solar energy research and its applications for domestic, industrial, and agricultural use is of interest to both countries and shall receive early consideration in the preparation of the general cooperation agreements and in the development of special programs within those agreements.

Both Governments will also give consideration to cooperation on other forms of energy.

ARTICLE XVI

In the field of environmental and urban problems, both Governments recognize the usefulness of annual programs already carried out, and consider it desirable to increase this cooperation wherever possible, giving special attention to the following aspects:

(a) monitoring, reduction, and where feasible, elimination of environmental pollution;

(b) conservation and protection of reserves and natural areas, including their fauna; and

(c) urban and regional planning directed to improvement of the quality of human life.

ARTICLE XVII

In the field of agriculture, both Governments recognize the continuing importance that cooperation holds for the peoples of each country and of the world, and will continue to encourage, as appropriate, cooperation in such programs and activities as may be of mutual interest. These may include, inter alia, agricultural scientific research, agricultural health standards, professional training, exchange of instructors and reseachers, and exchange of information for technical and scientific progress in agriculture. In the development of cooperative programs, the special problems and priorities of each country shall be taken into account.

ARTICLE XVIII

In the area of natural resources, both Governments recognize the importance of research to their identification, conserva-

tion, and efficient utilization, and agree to develop and implement cooperative programs in areas to be jointly defined. Such programs may include, inter alia, information exchange, provision of expert services, specialized work experiences, and development and intensification of inter-institutional linkages. In the development of natural resources cooperation, early attention shall be given to oceanography.

ARTICLE XIX

This Agreement shall enter into force and remain in force contemporaneously with the Treaty of Friendship and Cooperation between Spain and the United States.

DONE in Madrid, this 24th day of January, 1976, in duplicate, in the English and Spanish languages, both texts being equally authentic.

For the United States of America: HENRY A. KISSINGER.

For Spain: ——— ———.

SUPPLEMENTAL AGREEMENT ON EDUCATIONAL AND CULTURAL COOPERATION

(Number 4)

ARTICLE I

Aware of the importance of the cultural achievements of the two countries and the desirability of strengthening the traditional friendship and understanding between their peoples, Spain and the United States will expand their cooperation in the educational, cultural, and scientific fields. Through the Joint Committee on Educational and Cultural Affairs they will seek to develop programs for more effective cooperation; carry out programs already approved for that purpose; seek to resolve problems that may arise; and make such recommendations as may be necessary in relation to these matters. Their cooperation and decisions in the fields of education, culture, and science will be subject to the legislative requirements of the two countries, including the annual appropriation of funds.

ARTICLE II

The program of exchanges between Spain and the United States in these fields will be expanded in both numbers and scope. The expansion will involve teachers, researchers, scientists, scholars and students and will be extended into all branches of learning, especially natural and applied sciences, economics, and the language and culture of the two countries. In the field of arts and letters, the two Governments will sponsor visits of authors and artists and encourage the reciprocal dissemination of their works.

ARTICLE III

The two Governments will cooperate in the expansion of the Spanish educational system. The United States will assist Spain in research, development, and advanced training for professors and other teaching personnel. The United States will also provide documents, equipment, and materials to educational research and teaching laboratories and libraries, as as appropriate, for Spanish universities and other centers of higher learning. Both Governments will foster an exchange of cultural materials.

ARTICLE IV

Both Governments recognize the importance of the Fulbright-Hays program in promoting educational and cultural exchanges between the two countries, through the Commission on Cultural Exchange between Spain and the United States of America. Both Governments will contribute regularly to the financing of the Fulbright-Hays program. The Commission and the Joint Committee on Educational and Cultural Affairs will cooperate as appropriate in their respective fields to reinforce the effectiveness of the action of both parties.

ARTICLE V

The two Governments consider it a matter of special interest to increase the knowledge of their respective languages in the two countries by encouraging the activities of institutions and organizations engaged in the teaching of Spanish and the dissemination of Spanish culture in the United States, and at the same time encouraging the work of institutions and organizations engaged in similar activities with respect to the language and culture of the United States.

ARTICLE VI

The annual Educational and Cultural Cooperation Program which is the subject of this Agreement will be established by exchange of notes between the Ministry of Foreign Affairs and the Embassy of the United States at Madrid, or by a formal decision of the United States-Spanish Council, taking as a basis the recommendations of the Committee.

ARTICLE VII

This Agreement shall enter into force and remain in force contemporaneously with the Treaty of Friendship and Cooperation between the United States and Spain.

DONE in Madrid, this 24th day of January, 1976, in duplicate, in the English and Spanish language, both texts being equally authentic.

For the United States of America: HENRY A. KISSINGER.

For Spain: ——— ———

SUPPLEMENTARY AGREEMENT ON BILATERAL MILITARY COORDINATION

(Number 5)

ARTICLE I

A combined Military Coordination and Planning Staff shall be established at Madrid to facilitate coordination between the Spanish Armed Forces and the Armed Forces of the United States, as well as other forces dedicated to North Atlantic defense.

The Combined Staff will operate within the overall framework of the United States-Spanish Council and receive the Council's guidance through the Joint Military Committee. The Council will be kept apprised of the work of the staff, including all proposed joint exercises or other activities. The staff will have no command function.

ARTICLE II

The mission of the Combined Staff shall be to prepare and coordinate plans, which are in harmony with existing security arrangements in the North Atlantic area, for actions which could be taken in the geographic area of common interest as defined in Article III, in case of an attack against Spain or the United States in the context of a general attack against the West.

All such activities of the Combined Staff will take into account the requirements of the constitutional processes of the United States and Spain which must be met before any plans or other measures may be implemented.

Every effort shall be made to insure that these activities of the Combined Staff serve to complement and strengthen Western defense as a whole.

The Combined Staff shall be the vehicle to provide the Spanish Armed Forces the United States doctrine and information required to achieve the necessary strategic, tactical and logistical coordination within the area of common interest.

ARTICLE III

The geographic area of common interest is defined as follows:

(a) Spain, including adjacent air space.

(b) Atlantic area.

(1) Northern limit: the parallel of 48 degrees north latitude to the European continent.

(2) Western limit: from the intersection of 48 degrees north latitude and 23 degrees west longitude, south to the parallel of 23 degrees north latitude.

(3) Southern limit: the parallel of 23 degrees north latitude eastward from 23 degrees west longitude to the coastal waters of the African littoral.

(4) Eastern limit: northward along the African coast to the Strait of Gibraltar, and thence northward along the coast of Europe to 48 degrees north latitude.

(c) Mediterranean area: from the Strait of Gibraltar to the meridian of 7 degrees east longitude.

(d) The area excludes the territory of third states and their territorial waters.

ARTICLE IV

The organization of the Combined Staff shall be established by the Joints Chiefs of Staff of the United States and Spain with the approval of the respective national authorities. The Combined Staff shall be headed by two co-directors, one from each country, both having the same general/flag rank. Administrative arrangements will be established by mutual agreement. Militarily, the staff will be responsible to the United States Joint Chiefs of Staff and the Spanish Joint Chiefs of Staff through the Joint Military Committee.

ARTICLE V

Spanish liaison officers shall be assigned to such headquarters as are agreed upon.

ARTICLE VI

This agreement shall enter into force and remain in force contemporaneously with the Treaty of Friendship and Cooperation between Spain and the United States of America.

DONE in Madrid, this 24th day of January, 1976, in duplicate, in the English and Spanish languages, both texts being equally authentic.

For the United States of America: HENRY A. KISSINGER.

For Spain: ——— ———.

SUPPLEMENTARY AGREEMENT ON FACILITIES

(Number 6)

ARTICLE I

Pursuant to Article V of the Treaty of Friendship and Cooperation and by way of contribution to the Western defensive effort, the Government of Spain grants the United States of America the right to use and maintain for military purposes the existing facilities in or connected with the Spanish military bases and installations listed in this agreement and its annex.

The facilities referred to above include those located at Rota Naval Base; the Torrejon and Zaragoza Air Base, the Bardenas Reales firing range; and Moron, which remains on stand-by status.

The 98th Strategic Wing of tanker aircraft will be withdrawn from Spain but a detachment of a maximum of five tanker aircraft may be stationed at and use the Zaragoza Air Base. The nuclear submarine squadron will commence a phased withdrawal from Rota beginning on January 1, 1979 and this withdrawal will be completed by July 1, 1979.

Facilities within each Spanish military base or connected with it, such as lands, buildings, installations, and other major permanent items, made available for use by the United States forces, shall be listed in an inventory maintained by the parties, which

indicates the purpose for which they are used. The parties will also maintain a list containing the identification and general strength levels of the United States military units stationed in Spain for the use and maintenance of these facilities.

United States forces may obtain supplies by means of the Cadiz-Zaragoza pipeline, under conditions which will be agreed.

The United States will not store nuclear devices or their components on Spanish soil.

ARTICLE II

The use and maintenance of the facilities authorized by Article I of this Agreement and the status of the United States forces in Spain as well as the use of the Spanish air space will be regulated by the express terms and technical conditions contained in arrangements agreed between the two Governments.

ARTICLE III

In the case of external threat or attack against the security of the West, the time and manner of the use by the United States of the facilities referred to in this Supplementary Agreement to meet such threat or attack will be the subject of urgent consultations between the two Governments, and will be resolved by mutual agreement in light of the situation created. Such urgent consultations shall take place in the United States-Spanish Council, but when the imminence of the danger so requires, the two Governments will establish direct contact in order to resolve the matter jointly. Each Government retains, however, the inherent right of self-defense.

ARTICLE IV

Through the Joint Committee for Politico-Military Administrative Affairs, the parties will seek to assure the necessary coordination between the two Governments, and to resolve such problems as may arise as a result of the application of this Supplementary Agreement.

The organization and operation of the Committee will be developed with a view to dealing effectively and expeditiously with the problems which may arise, to promoting the direct contact between military and civilian officials of both parties appropriate to these ends, and finally, to fostering the maximum cooperation in all matters of mutual concern.

Prior to the expiration of the Treaty, and no less than three months before, the Joint Committee for Politico-Military Administrative Affairs will study the modalities and timetable resulting from the application of Article VIII of the Treaty, in case the extension established by Article VII does not go into force.

ARTICLE V

This agreement will enter into force contemporaneously with the Treaty of Friendship and Cooperation and remain in force with it and thereafter in accordance with Article VIII of the Treaty of Friendship and Cooperation.

DONE in Madrid, this 24th day of January, 1976, in duplicate, in the English and Spanish languages, both texts being equally authentic.

For the the United States of America: HENRY A. KISSINGER.

For Spain: —— ——.

ANNEX TO ARTICLE I

In addition to the facilities listed in Article I, there are minor facilities outside of the principal Spanish installations mentioned in this Article. These facilities are:

Jarama Water System Annex;
Sonseca Weather Station Site;
Torrejon ILS Outer Marker;
Zaragoza Radio Beacon Annex;
Soler Tropo Site and Housing Annex;
Humosa Tropo Site;
Guardama Tropo and Transmitter Site;
Inoges Tropo Site;
Menorca Tropo Site;
Moron Naval Communications Facility;
Estaca de Vares LORAN Station;
Estaca de Vares Communication Relay Station;
Estartit (Gerona) LORAN Station;
Cartagena Petroleum and Munitions Storage Facilities;
El Ferrol-Petroleum Facilities;
Loeches Petroleum Storage Farm;
La Muela Petroleum Storage Farm;
El Arahal Petroleum Storage Farm.

SUPPLEMENTARY AGREEMENT ON COOPERATION REGARDING MATERIAL FOR THE ARMED FORCES

(Number 7)

ARTICLE I

The Government of the United States will issue repayment guaranties under its foreign military sales program to facilitate the extension of loans to the Government of Spain by eligible lenders for the purpose of financing the purchase by the Government of Spain of defense articles and defense services in furtherance of the present Treaty of Friendship and Cooperation. The aggregate principal amount of loans guaranteed by the Government of the United States in accordance with this Article shall total $120,000,000 during each of the five years during which the present Treaty of Friendship and Cooperation shall remain in force.

ARTICLE II

(1) The Government of the United States will furnish defense articles to the Government of Spain on a grant basis with a value of $75,000,000 over the period during which the present Treaty of Friendship and Cooperation shall remain in force.

(2) In addition, the Government of the United States will continue to furnish on a grant basis training for personnel of the armed forces of Spain, the value of which shall be $2,000,000 during each of the five years of validity of the Treaty.

(3) The value of defense articles furnished under this Article will be calculated in the manner most favorable to the Government of Spain, consistent with applicable United States laws and regulations.

ARTICLE III

All defense articles or defense services furnished to the Government of Spain in accordance with this Agreement shall be furnished subject to the terms and conditions set forth in Article I of the Mutual Defense Assistance Agreement of September 26, 1953 between the two Governments, except that Article I, paragraph 3, of that Agreement shall not apply to defense articles and defense services purchased by the Government of Spain pursuant to this Agreement. In addition to such terms and conditions, the Government of Spain agrees that the net proceeds of sale received by it in disposing of any weapon, weapons system, munition, aircraft, military vessel, or other implement of war, including scrap therefrom, furnished on a grant basis by the Government of the United States, will be paid to the Government of the United States and shall be available to pay the official costs of the Government of the United States payable in the currency of Spain, including all costs relating to the financing of international educational and cultural exchange activities in which the Government of Spain participates. Defense articles and defense services are furnished pursuant to this Agreement exclusively for legitimate self-defense, or for participation in collective measures consistent with the Charter of the United Nations or requested by the United Nations for the purpose of maintaining or restoring international peace and security.

ARTICLE IV

The Government of the United States will assign a high priority to the delivery to Spain of grant materiel agreed upon and of the necessary logistic support of the aforesaid needed materiel for the life of the Agreement.

ARTICLE V

The Government of the United States agrees to make the maximum effort to facilitate acquisition by the Government of Spain of four complete squadrons (of 18 aircraft each) of F-16 light fighter aircraft, or others of similar characteristics.

ARTICLE VI

The Government of the United States agrees to contribute to modernizing, semi-automating and maintaining the existing aircraft control and warning network utilized by the United States Air Force in Spain, in an amount not exceeding $50,000,000.

Details of those improvements and of the maintenance and the cost-sharing arrangements shall be set forth in a subsequent implementing agreement.

ARTICLE VII

With regard to the execution of new joint utilization projects agreed to by the armed forces of the two countries, such as the case covered in the preceding article, the two parties shall mutually agree on the respective percentages of participation in such projects to be charged to the defense budget of each country.

ARTICLE VIII

The Government of the United States will offer for sale to the Government of Spain, at a favorable price consistent with applicable law, naval vessels of the following quantities and types: four MSO oceangoing minesweepers and one ARL minesweeper tender.

ARTICLE IX

The Government of the United States agrees to give prompt consideration to proposals for transfer to the Government of Spain of the technical data, equipment, and materials necessary for production in Spain of specific defense items. In each case, such production shall remain subject to specific agreement between the two Governments.

ARTICLE X

(1) The Government of the United States will make available for lease to the Government of Spain 42 F-4E aircraft from the inventory of the United States Air Force the delivery of which aircraft shall be effected on the dates agreed upon.

(2) The Spanish Government will pay the United States Government the amount agreed upon for lease of these aircraft. The lease may be terminated by the Government of Spain prior to expiration of the lease with one year prior notice to the Government of the United States. The lease may be extended by the Government of Spain beyond the term of the lease for an amount to be agreed upon until an equivalent number of F-16 aircraft can be made available for delivery to Spain pursuant to Article IV hereof.

(3) The Government of Spain will sell to the Government of the United States 34 F-4C aircraft and F-4C specific support equipment and accessories for an amount agreed upon. The delivery of the F-4C aircraft to the Government of the United States will be concurrent with the delivery of the F-4E aircraft to the Government of Spain.

(4) The Government of the United States agrees to sell to the Government of Spain the necessary spare parts and support equip-

ment for maintenance of the F-4E aircraft until termination of the lease.

ARTICLE XI

It is expressly agreed by the two Governments that the undertakings of the Government of the United States provided for in this Agreement will be carried out in accordance with, and subject to, applicable provisions of United States law and the appropriation of the necessary funds by the United States Congress.

The undertakings of the Government of Spain hereunder will be carried out in accordance with and subject to applicable provisions of Spanish law.

ARTICLE XII

The Agreement will enter into force and remain in force contemporaneously with the Treaty of Friendship and Cooperation between the United States and Spain.

DONE in Madrid, this 24th day of January, 1976, in duplicate, in the English and Spanish languages, both texts being equally authentic.

For the United States of America: HENRY A. KISSINGER.

For Spain: ——— ———.

The ACTING PRESIDENT pro tempore. The treaty is now before the Senate as in Committee of the Whole. The treaty will be considered as having passed through its parliamentary stages up to and including the presentation of the resolution of ratification, which the clerk will state.

The second assistant legislative clerk read as follows:

Resolved (two-third of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Treaty of Friendship and Cooperation Between the United States of America and Spain, signed at Madrid on January 24, 1976, together with its seven Supplementary Agreements and its eight related exchanges of notes (Executive E, Ninety-fourth Congress, second session) subject to the declaration that:

(1) the United States, recognizing the aspiration of Spain to achieve full participation in the political and economic institutions of Western Europe, and recognizing further that the development of free institutions in Spain is a necessary aspect of Spain's full integration into European life, hopes and intends that this Treaty will serve to support and foster Spain's progress toward free institutions and toward Spain's participation in the institutions of Western European political and economic cooperation;

(2) the United States, while recognizing that this Treaty does not expand the existing United States defense commitment in the North Atlantic Treaty area or create a mutual defense commitment between the United States and Spain, looks forward to the development of such an expanded relationship between Western Europe and a democratic Spain as would be conducive to Spain's full cooperation with the North Atlantic Treaty Organization, its activities and mutual defense obligations;

(3) the United States, recognizing that this Treaty provides a framework for continued nuclear cooperation for peaceful purposes with Spain, looks forward to a continued relationship in this field commensurate with steps taken by Spain toward becoming a party to the Treaty on the Non-Proliferation of Nuclear Weapons or placing all of its nuclear facilities under safeguards administered by the International Atomic Energy Agency;

(4) Senate advice and consent to ratification shall be understood to apply only to the initial five-year period of the Treaty, so that any United States agreement to an extension of the Treaty shall require the further advice and consent of the Senate; and

(5) the sums referred to in the Supplementary Agreement on Cooperation Regarding Materiel for the Armed Forces and Notes of January 24, 1976, appended to the Treaty, shall be made available for obligation through the normal procedures of the Congress, including the process of prior authorization and annual appropriations, and shall be provided to Spain in accordance with the provisions of foreign assistance and related legislation.

Mr. SPARKMAN. Mr. President, I rise to present to the Senate, and to support, the Treaty of Friendship and Cooperation With Spain, Executive E, 94th Congress, 2d session.

I believe my colleagues on the Committee on Foreign Relations will agree with my thesis that few such treaties have been examined at greater length and with more care. I am not speaking only about the period since the treaty was actually submitted to the Senate on February 18 of this year; I am including the long period of negotiations which extended over nearly 18 months. During that latter phase, members of the executive branch made unusual and welcome efforts to keep Senators and their staffs informed about the progress of deliberations between the United States and Spanish representatives.

Indeed, that process of close cooperation also led to an unusual but welcome situation: the results of these long deliberations have been submitted as a treaty rather than as an executive agreement. Few Members can be unaware of the fact that, ever since September 1953, our relationship with Spain has rested on the more fragile basis of executive agreements, as distinct from a treaty relationship. In this connection, I might add that I gave my own considered judgment to our chief negotiator that the Senate would be likely to approve a treaty with Spain if one were submitted. Naturally, I made my judgment contingent on a number of factors, relating both to the situation in Spain itself and to the actual character of the commitment involved.

We have had long discussions about whether our past and proposed connection with Spain has represented a security agreement. The answer has clearly been in the negative. To reassure colleagues that no change has taken place, either explicitly or tacitly, I shall quote the following testimony by Ambassador McCloskey from the hearing record:

The Spanish understand and have publicly confirmed that the U.S. has not undertaken here a security commitment to Spain. The combined coordination and planning staff would have no command functions and there is no commitment or understanding regarding implementation of any contingency plans. Therefore, the new treaty would not represent any enlargement of the existing United States Defense commitments in the North Atlantic area, nor would it create any obligations for NATO or the other individual allies regarding Spain. Our NATO allies have been kept informed of our progress in the negotiations, and to my knowledge have not objected to the provisions of the treaty.

Now, Mr. President, I shall not take up the time of the Senate by summarizing all the elements in the treaty, its seven supplementary agreements and its eight related exchanges of notes. It seems to me that these are adequately described on pages 3 and 4 of the committee report, which in turn are drawn from the Secretary of State's letter of submittal. I would, however, like to stress one very important issue. It is quite understandable that the press and even we ourselves discuss a figure of $1,220,000,000 as the amount of U.S. assistance involved over the 5-year period of the treaty's duration. But the true emphasis should be placed on the fact that well over $1 billion of that total takes the form of loans and credits, extended through the foreign military sales mechanism and through the Export-Import Bank. The actual total of funds could be described as foreign assistance, in the strict sense of the term, is approximately $170 million over a 5-year period—or $34 million annually. When one further analyzes the figures, it will be seen that up to $50 million will be expended for the U.S. share in a jointly used aircraft control and warning network. Since this money really is for U.S. purposes, it could properly be subtracted from the $170 million total, resulting in an annual provision of assistance to Spain of $24 million.

In saying this, I am not trying to minimize the U.S. contribution but to put it in better focus. I am aware, for example, that the sum would rise again slightly if one took into account subsidized rates of interest relating to loans and credits. Nevertheless, on the whole, I do not believe we should fall into the habit of using a $1.2 billion aid figure without elaboration or close scrutiny.

I realize that there have been and there will continue to be arguments about the military importance of bases and facilities in Spain to the United States. These cannot be described and weighed except at length and in executive session. Even after such a process has been undertaken, I cannot escape the conclusion that we have to give strong weight to the views of the Department of Defense, which in summary regard these facilities an essential to Western security. Even if such a phrase as "absolutely vital" cannot be elicited from the Pentagon, I do still feel that the value of our military connection cannot be doubted. It may be that a quite different evaluation will be placed on these security requirements at the end of the first period of 5 years. Regardless of whether the importance of the bases has increased or diminished, the fact remains that the Senate will have the opportunity to make its own judgment at that time.

Probably the most difficult and frustrating problem we have encountered in dealing with the treaty before us today has had nothing to do with Spain but everything to do with our constitutional and internal working procedures in Con-

gress. Since my colleagues on Friday approved a waiver resolution and then an authorizing bill providing for amounts totaling $36 million to be expended for the purposes of the treaty, they are aware that we have had to take quite unusual steps in implementing the financial portions of the treaty before dealing with the document itself. This has not been an easy process, either for the Committee on Foreign Relations or for the Budget Committee. Nevertheless, with the active support and leadership of the chairman of the latter committee and the chairman of our Foreign Assistance Subcommittee, the necessary comity was created allowing us to find our way around an extremely difficult problem. I will not dwell on these issues, but only thank those who extended such a high degree of cooperation.

I might add that I believe that the Spanish have understood our constitutional problem and have not taken an erroneous view of our complicated maneuvers. This is most important because our interest in Spain is not strictly a military one. On the contrary, the Committee on Foreign Relations is strongly interested in encouraging the new Spanish Government to move in the direction of creating closer and lasting links with other Western European countries and with North America.

The committee's interests in this regard have been spelled out in the declaration which is incorporated in the text of the Resolution of Ratification. Even before the King and Queen of Spain made their visit here, and even before the most recent liberalizing moves made by the Spanish Government, our committee was in receipt of substantial evidence that there was indeed a new Spanish Government with a new out look. In this connection, we are indebted to the distinguished junior Senator from Rhode Island for the report which he made to us on his return from a visit to Spain and Portugal earlier this year. His record of staunch opposition to totalitarian government over the years since the Spanish civil war entitles him to speak with special authority about trends toward liberalization. His information corroborated in the most valuable way the data provided us by the executive branch and by other sources. His views were also given expression in the important declaration which we have attached to the Resolution of Ratification.

In the last analysis, Mr. President, I believe our true interest is in seeing the emergence of a new and more modern Spanish position with respect to the Western world, and in creating a stronger and more soundly based relationship between Spain and the United States. The Committee on Foreign Relations has done its best to encourage the kinds of developments we would like to see. It is my belief that this has been done with some considerable measure of tact and restraint as well as firmness. We cannot and do not expect drastic and immediate change in a situation where revolution might be the concomitant of dramatic transformation. We do expect continuing steady progress toward the kind of relationship all of us what to see between the United States and Spain. Thus far, we have been given a good deal of reason to feel confident about the future, even though we cannot reasonably anticipate an unbroken chain of successes in this area.

There are those who call for further delay, and I respect their motives and their arguments. I believe, however, that we have reached the point where further delay could prove positively threatening to the progress achieved by King Juan Carlos and his ministers. They have listened to our case, and I see no reason for us to doubt that they will continue to receive our views in the friendly spirit in which they are advanced. I do not think we can ask for a great deal more at this important juncture in our mutual relations.

Therefore, Mr. President, I urge my colleagues to give the strongest possible support to the new treaty between the United States and Spain.

Mr. MANSFIELD. Mr. President, will the Senator yield me 5 minutes?

Mr. SPARKMAN. I yield the majority leader such time as he requires.

Mr. MANSFIELD. Mr. President, I support the statement just made by the distinguished chairman of the Committee on Foreign Relations, the senior Senator from Alabama (Mr. SPARKMAN).

As the Senate is aware, since 1953 we have had agreements with Spain, but until this time, all have been in the form of executive agreements. The Senate is aware, also, that recently there has been a shift in the power structure in Spain, with the passing of Generalissimo Francisco Franco and the coming into authority and responsibility of King Juan Carlos I.

Over the years, many of us have been disturbed by the fact that executive agreements between the administration and the Spanish Government have been carried out without the full knowledge of Congress. Many of us have stated time and time again that these were matters which should have been executed in the form of treaties, and now that has been done.

I point out to my colleagues that Spain has been passing through a very difficult period, to put it mildly, from 1939 until recently. Now there is hope, under King Juan Carlos I, for the spread of democracy, for a greater use of the franchise, for recognition of political parties— in other words, a trend toward the directions we would have liked to have seen them take some years ago.

I believe my colleagues have been aware of the fact that the countries of Western Europe, notably the Scandinavian countries as well as the Netherlands and Belgium, have, until now, looked askance at Spanish participation in any regional agreement having to do with the military defense of Western Europe.

If this treaty is approved by the Senate, I hope that the next step will be further consideration, by the members of NATO to allow Spain to become a member of the North Atlantic Treaty Organization. I think she would fit in very well geographically and military—and I hope politically, as further reforms are advanced and put into operation.

It is my belief that this is a welcome and healthy trend away from executive agreements, that Congress—and especially the Senate—is being brought in on the takeoff and not on the landing. In this way, a closer relationship between the executive and the legislative branches will be developed, and a better understanding can be achieved on the part of the Senate, so far as this treaty is concerned, about what our relations with Spain should be.

As the distinguished chairman of the committee has pointed out, there have been long and extensive hearings, and a great number of witnesses have appeared before the committee. We are aware of what we are doing. We have had open and lengthy discussions.

It is my hope, Mr. President, that this treaty will be approved overwhelmingly and that, if so, the next step will be for Spain to be considered for admittance into the North Atlantic Treaty Organization.

Mr. SPARKMAN. Mr. President, I am sure the distinguished majority leader will join me in recalling that the former chairman of the Committee on Foreign Relations, Senator Fulbright, objected over the years to our using the executive agreement process and said it should be in the form of a treaty.

Mr. MANSFIELD. The Senator is absolutely right.

Mr. SPARKMAN. This is the first time we have been able to do that. However, I think we should remember the good work that Senator Fulbright did, as chairman, toward bringing about treaty action instead of executive agreements.

Mr. MANSFIELD. I agree completely.

Mr. CLARK. Mr. President, will the Senator yield 12 minutes?

Mr. SPARKMAN. Mr. President, I yield to the Senator such time as he may need.

Mr. CLARK. Mr. President, since 1953 the United States has operated military bases in Spain under a series of formal arrangements with the government of that country. To date, such arrangements have been negotiated as executive agreements, without direct approval by the U.S. Senate. The most recent of these agreements, entered into effect in 1970 for a period of 5 years, was extended in September 1975 for 1 year, and is thus due to expire this coming September. With a view to extending the U.S. basing rights in Spain, negotiators from the two countries began discussions in late 1974, reaching agreement early this year on the terms of a new arrangement. Signed on January 24, 1976, the agreement was transmitted to the Senate on February 18.

Distinguishing this new agreement from those of the past, Mr. President, are two important characteristics. The first is the background against which the agreement was reached. The second is

the form in which the agreement has been drawn and signed.

The special background of this new agreement, Mr. President, was created by an event of far-reaching consequence which occurred in Spain during the period of negotiation: the death of Generalissimo Francisco Franco, whose Fascist reign had dominated Spanish life since the victory of his Nationalist forces in the savage civil war of the late 1930's. For Spain, Franco's death unquestionably marks the beginning of a new era, opening the opportunity for a progressive liberalization of Spanish political life and expanded relations between Spain and the other nations of Western Europe. It, of course, remains to be seen whether Franco's successor, King Juan Carlos, will be able to exercise the strong leadership necessary to bring about a full realization of these opportunities. There is a question, too, as to whether the Spanish people can overcome a history of bitter factionalism to respond successfully to such leadership. But there can be little doubt that change in Spain is not only imminent but underway.

The second distinguishing characteristic of this new bilateral agreement, Mr. President, is that it has been shaped as a treaty, and submitted to the Senate for the exercise of this body's constitutionally mandated treaty powers. I must express gratification, Mr. President, that the administration chose the treaty form. For years now, there has been a steady erosion of the Senate's treaty power, as significant international agreements were regularly contracted by the executive branch acting alone. Because of growing concern in the Senate over this constitutional lapse, there was a strong likelihood that, had the new Spanish-American agreement not been submitted for Senate approval, the agreement's form would in itself have become an issue of considerable contention. Indeed, at the time the administration made the decision to cast the new agreement with Spain as a treaty, support was gathering for a Senate resolution, of which I was a principal sponsor, calling for exactly that. It was thus both practical and proper that this agreement be signed and submitted to the Senate in treaty form.

In considering the treaty pursuant to its submission in February, the Foreign Relations Committee held several days of hearings and then met on a number of occasions to discuss the treaty in its various aspects. I think it fair to describe the committee's deliberations as having focused on three general issues. The first was the content of the treaty itself. The second was the political context—or, stated differently, the question of the desirability of entering into such an arrangement with the Spanish Government at this time. The third general issue was how the 5-year commitment created by the treaty could be reconciled with the annual foreign aid authorization and appropriations procedures of the Congress.

CONTENT

On the question of content, Mr. President, the committee had quite simply to weigh whether the benefits to the United States under the treaty arrangement justified the costs involved. In assessing the benefits of the three air bases, Torrejon, Zaragosa, and Moron and one naval base, Rota, available to the United States under the treaty, the committee was under no illusion that such facilities are essential to American security. Indeed, there is little question that the bases are marginal in significance, providing mainly additional depth and flexibility to U.S. conventional and strategic forces. On the other hand, the cost to the United States of maintaining access to these bases is, under the treaty arrangement, also marginal. To be sure, the $1.2 billion figure commonly associated with this treaty gives the impression of an overwhelming expenditure. But, when analyzed, this sum dissolves into a much smaller figure in terms of real cost to the American taxpayer. Of the $1.2 billion, well over $1 billion will be in loans—either Export-Import Bank loans or private loans guaranteed by the U.S. Government—extended to facilitate the purchase by Spain of American products and requiring no subsidy at all from the American taxpayer. This does, of course, leave $170 million of Treasury funds which will be expended over the 5 years on a nonloan basis; but, of this amount, $50 million will be the American contribution to a joint aircraft control and warning network from which the United States will directly benefit. Thus, what I consider a fair analysis reduces the actual "rental" payment for the Spanish bases to a 5-year figure of $120 million, or about $24 million per year.

Now, as I am quick to acknowledge, it can reasonably be argued that even this amount is excessive and that there should in fact be no "rental" element, given that Spain benefits economically and militarily from the bases' presence. It must be emphasized on the other hand, however, that, because this treaty does not create an American defense commitment to Spain, it is not accurate to say, as some have, that through this treaty we are paying Spain for the privilege of defending her. It was, finally, a matter of judgment. And while I—and other committee members—could see validity in the argument that, from the U.S. point of view, a somewhat better deal might have been struck, this argument did not appear strong enough to justify overturning the results of a year and a half of Spanish-American negotiation.

CONTEXT

The second general issue the committee faced, Mr. President, was the question of whether it was wise, given the uncertainties surrounding Spain's state of transition, to enter into a formal arrangement at this time. During the committee's hearings, there was indeed a considerable body of testimony, from estimable witnesses, expressing the view that the United States should delay ratification pending a display of Spanish progress toward the creation of free institutions. This argument, I must state, was compelling. Yet balancing it were the simple facts of the expiration of the current agreement with Spain in September and of the strong likelihood that change in Spain will at best be a gradual and extended process. Could a congressionally imposed delay of several months, the committee was required to ask itself, really prove effective in promoting progressive change in Spain? Ultimately, the committee concluded that such a delay would not only be of dubious value, but might even prove counterproductive. The announced policy of Spain's neighbors to the north—that post-Franco access Spain's access to Western European institutions willl be contingent upon Spanish progress toward democracy—has already given Spain ample incentive for change. For the Congress to seek to apply added leverage in this direction by delaying or blocking ratification of a negotiated agreement was, in the committee's view, an approach which could well have the perverse effect of exciting Spanish xenophobia and thereby strengthen the forces of reaction. Thus, in the final analysis, to move ahead without calculated delay seemed to the committee to be the wisest course.

I noted with some concern, Mr. President, that the New York Times, representing a view that is not isolated, responded to the Foreign Relations Committee's nearly unanimous decision to approve the treaty by criticizing what the Times saw as the committee's "dismaying docility" in permitting what the paper's editorialists perceived as a "precipitous commitment" to Spain. I regret that, underlying this and much other criticism of the treaty, there appears to be a serious misunderstanding concerning the important constitutional issue of which I spoke earlier: the use of executive agreements as opposed to the use of treaties. I think it useful, therefore, to emphasize exactly what the treaty form of this agreement signifies and what it does not.

To economize on the Senate's time, I ask unanimous consent that there be printed in the RECORD at the close of my remarks the complete text of the speech I gave last fall while introducing a Senate resolution calling for this agreement to be submitted to the Senate as a treaty; today I will touch only on the essential points of that speech.

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

Mr. CLARK. My purpose in calling for a treaty, Mr. President, was not to encourage an expanded Spanish-American relationship through the use of a different form of agreement, though I do believe that there is now real promise for closer ties in due time. Rather, my intent was to demand compliance with a basic procedural requirement of the U.S. Constitution. As I explained then, there

is between an executive agreement and a treaty no inherent difference in content, formality, validity under international law, or degree of commitment. There is, however, an important question, within our own domestic constitutional framework, as to the purpose for which each form of agreement is appropriate. My argument, drawing from an impressive body of constitutional scholarship, was that, at a minimum, all significant international agreements contracted by the United States should be shaped as treaties and thereby made contingent upon the explicit concurrence of a two-thirds majority in the Senate. However obvious this conclusion may seem, I hasten to add, it is a prescription which has not been followed. Over many years—due primarily, I regret to say, to Senate neglect—the executive branch has been allowed to become habituated to the use of executive agreements even in matters of the utmost consequence.

To be sure, a precise determination of which agreements are significant enough to require the treaty form is, as I acknowledged in my earlier speech, a matter necessarily left open to judgment, or perhaps defined by legislation. But, as I then asserted, there can be little reasonable doubt about the considerable significance of an agreement under which thousands of American military personnel are stationed in a critical location abroad with a precisely defined array of strategic and conventional missions. Most certainly, I pointed out, such an agreement outweighs in significance the dozens of treaties the United States negotiates each year to govern such questions as extradition, fishing rights, and international taxation.

Implied in the New York Times' criticism is the notion that the treaty form in itself entails an expanded American commitment to Spain or to the regime of Juan Carlos. Were this true, I might well have opposed the treaty, for I believe that during this hopeful but uncertain time of Spanish transition, the policy of the United States ought to be one of encouragement and watchful waiting. It must be emphasized, therefore, that the treaty, simply by being a treaty, does not constitute an expanded commitment.

The commitment contained in an agreement is to be found in the content, not in the form; and in content, this agreement is essentially similar to the executive agreements through which the United States has, for nearly a quarter century, provided Spain with specified levels of assistance in exchange for basing privileges. Just as no commitment to Spain's defense was stated or implied in the executive agreements, none is now stated or implied in the proposed treaty. Indeed, the absence of a defense commitment is explicitly reiterated in the consent resolution which the Foreign Relations Committee has reported to the full Senate. What is new is that, to extend these longstanding U.S. basing arrangements in Spain, a bilateral instrument has been employed which, for the first time, satisfies the requirements of proper American constitutional procedure. It is, in my view, simply a sad irony of circumstance that the long overdue decision to proceed in adherence to the U.S. Constitution has been interpreted critically by many of our own citizens as an ill-conceived plan to confer added legitimacy upon the new Government of Spain.

PROCEDURE AND CONDITIONS FOR IMPLEMENTATION

The third general issue presented by this treaty, Mr. President, was the apparent incongruity of the treaty's 5-year approach with the year-by-year approach by which Congress traditionally authorizes and appropriates foreign aid. This problem was met by including in the resolution of advice and consent a statement that funds would be made available through the normal procedures of the Congress, including the process of prior authorization and annual appropriations. In the committee's view, separate authorizing legislation should be enacted in the traditional fashion.

By its own terms, the treaty requires that the specified levels of assistance be provided to Spain in full compliance with all foreign assistance statutes and related legislation, including conditions of eligibility. Thus, should such circumstances arise as to render Spain ineligible for foreign assistance, the United States would by its own law, including the treaty, be unable to continue the assistance which the treaty envisions. Relatedly, it should be noted also that international law could provide justification for abrogation of the treaty should the circumstances which gave rise to the treaty change considerably after ratification. Of course, to arrive at either justification for failing to provide the specified assistance—that Spain had become ineligible or that a fundamental change had occurred in the treaty's premises—would require a judgment. But it is the very value of the committee's decision to retain the annual review process intact that it will preserve for Congress the power to render that judgment, if necessary.

Thus, Mr. President, I believe that the committee arrived at a satisfactory reconciliation, both conceptual and procedural, of the 5-year treaty commitment and the annual authorization-appropriation process. Upon ratification, the treaty will constitute an unambiguous commitment by the United States to comply with the treaty's terms, which means that each year Congress will have to proceed on a presumption of approval for those amounts the treaty specifies. But in so proceeding, Congress will also be in a position to make the definitive interpretation as to whether the treaty's explicit and implicit conditions are being met, and to take appropriate action if they are not.

CONCLUSION

As I suggested earlier, Mr. President, this treaty can reasonably be criticized on grounds that technological advance has so reduced the value of the Spanish bases that the cost of continuing their use is no longer justified. Criticism at this level, however, should be distinguished from criticism at the political level. For my own part, viewing the bases as marginal in military value and in cost, I judged the political considerations, at least at this juncture, to be paramount.

Exactly what the political considerations recommend is, of course, a complex question. But one thing has seemed clear: that the Senate's decision on this treaty could not be made in a historical vacuum. It was long ago that the United States accepted, for reasons of expediency, the moral and political compromises necessary to use the Spanish bases while Franco's Fascist regime held sway. Understandably and, indeed, properly that decision has for years been a source of serious dismay to Americans concerned to see that the United States does not aline itself with tyrants in the name of defending freedom. But given that decision and the historical background it has produced, one could not avoid the irony were the United States now to withdraw from Spain, or threaten to withdraw, at the very time when Franco's demise has opened real possibilities for progressive change. If it is true that we erred in the past by concerning ourselves too little with the suppression of Spanish liberty, it is equally true that we cannot compensate now in a single stroke by demanding democratic revolution in Spain overnight.

The process of change in Spain has unquestionably begun, Mr. President, its motive force a powerful aspiration among the Spanish people to join the Western European community of free nations. At best, however, their progress will come in measured steps. And with the current agreement between the two governments expiring in 3 months, we must accept the practical truth that any attempt to use the new agreement as a means of coercing accelerated change would, more likely than succeeding, escalate into a test of wills producing a great deal of heat and very little light, indeed.

On the other hand, if by approving this agreement, we choose to continue as Spain's tentative but cooperative partner, I believe that the United States will have the opportunity to serve as an energetic and enthusiastic advocate of Spanish democracy; and that our influence, though limited, can be positive in effect. If we joined with Spain too soon, let us at least now, when the time is ripe, make the most of it.

I have been gratified, Mr. President, to learn that through Spain considerable attention is being accorded the declaration which has been joined to the treaty consent resolution now before the Senate. Though couched in diplomatic language, this declaration will leave little doubt that the United States views Spain conditionally, as a nation in transition which can gain full acceptance in the Atlantic community only by constructing free, democratic institutions. Upon ratification the treaty will neither commit the United States to the defense of Spain nor stand as an American blessing of the Spanish status quo.

Rather, the treaty will do no more than embody the situation as it now exists. It will represent the continuation of a limited Spanish-American relationship which, since its inception in the 1950's, has been fraught with ambiguity, but which could, if Spain's new monarch can seize the opportunities now before him, grow into the full bond of friendship and alliance that strong hearts in both nations have long desired.

EXHIBIT 1

[From the CONGRESSIONAL RECORD, Nov. 3, 1975]

SENATE RESOLUTION 292—SUBMISSION OF A RESOLUTION CONCERNING AGREEMENTS WITH SPAIN

(Referred to the Committee on Foreign Relations.)

Mr. CLARK. Mr. President, during the Senate's recent consideration of the Sinai agreements, one of the fundamental questions at issue was whether several of those agreements should not have been formulated as treaties, and approved as such by the Senate. I regret to say that many of us who raised this issue were interpreted by some observers as having done so only as a tactical device for opposing the agreements. This was far from the truth—in my own case and, I know, in others. Although I do maintain certain reservations about the content of the Middle East agreements negotiated by Secretary of State Kissinger, I nevertheless supported their approval by the Senate. Indeed, I recognized the possibility that a Senator could personally disapprove of the agreements, in the belief that they do not represent a sound approach to a lasting settlement, while still with consistency voting to approve them, in the belief that Senate rejection would have the worst possible effects on the prospect for peace.

But in favoring Senate approval of the Sinai agreements, Mr. President, I was at the same time deeply concerned about the constitutional aspects of the process. Important questions of procedure as well as policy were at issue, and, in my view, these questions could not be passed over lightly notwithstanding the sense of urgency surrounding the need for progress toward a settlement in the Middle East. What emerged from the debate on the Sinai agreements was a basic difference of interpretation concerning the constitutional role of the Senate in the contracting of major international commitments—a difference which has been expounded in lengthy memoranda prepared by the Senate's Legislative Counsel and the State Department's legal adviser. Both views begin with a recognition of the Constitution's provision that the President "shall have power, by and with the advice and consent of the Senate, to make treaties, provided two-thirds of the Senators present concur."

But from that simple provision, which is the Constitution's only declaration on this question, the two sides proceed to wholly opposite conclusions. While the argumentation presented by both sides is extensive, the two views may be briefly, and I think fairly, summarized.

In the State Department's view, because the Constitution "provides no guidance" on the question of what should be a treaty and what should be an executive agreement, the President "has the discretion to choose whether to conclude any particular agreement as a treaty or as an executive agreement." "U.S. law," according to the State Department interpretation, "permits the President to choose the form of international agreement he prefers. A treaty on a particular subject with one nation may best be done as an executive agreement with another nation; an executive agreement with a nation this year may better be entered into as a treaty relationship next year."

In the view of the Senate Legislative Counsel, however—and it is my own view as well—such an interpretation renders the constitutional provision essentially meaningless. For to allow unlimited Presidential discretion to conclude any international agreement as an executive agreement is to leave empty the Constitution's requirement that the Senate grant approval for treaties, unless the Constitution is interpreted, rather nonsensically, to intend that the Senate consider agreements only when the President at his pleasure chooses to submit them. I think it is unreasonable to suppose that the intent of the framers was to place into the Constitution a nonsensical provision, particularly in this important area. If the provision is to have meaning, it is that some international agreements must be regarded, constitutionally, as treaties. What the framers in their wisdom were surely seeking was not a procedure whereby the President could acquire Senate affirmation of international agreements only when he thought the Senate's approval would be convenient or expedient, but rather a procedure by which the Senate could check the President and balance his authority by being regularly involved in the creation of agreements between the United States and other nations.

But while I submit that the Constitution is clear in requiring Senate participation in the contracting of at least some international agreements, I do at the same time acknowledge that the Constitution is not at all explicit as to what agreements fall within the compass of that requirement. We who must live by the Constitution are thus left with the duty to interpret as best we can the intent of the framers—in the spirit of Thomas Jefferson who, upon becoming President, pledged himself to administer the Constitution "according to the safe and honest meaning contemplated by the plain understanding of the people at the time of its adoption—a meaning to be found in the explanations of those who advocated . . . it." On another occasion, I might add, James Madison emphasized the importance of so adhering "to the sense in which the Constitution was adopted and ratified by the Nation," because, as he said, "if that be not the guide in expounding it, there can be no security for a consistent and stable Government. . . ."

Reviewing the literature in which the framers of the Constitution expounded their views makes amply clear that the Senate was intended, through constitutional procedure, to be a regular and active participant in the conduct of the Nation's international affairs. Even so ardent an advocate of Executive power as Alexander Hamilton, in explaining that the Constitution gave the Government broad power to "make treaties of alliance, treaties of commerce, treaties of peace, and every other species of convention usual among nations," explained further that "it was emphatically for this reason that (this power) was so carefully guarded; the cooperation of two-thirds of the Senate, with the President, being required to make any treaty whatever." Others—and the literature is extensive—voiced a similar view; and there is nowhere on record an indication that the framers contemplated that the President should undertake significant agreements without the Senate's formal participation.

Obviously the framers could not have anticipated the complexity of today's world; nor, more specifically, could they have anticipated the vast number of agreements—many technical in nature and not of major consequence—which modern diplomacy would entail. But most certainly, if so informed about the future, they would not have indicated it to be their intention that the constitutional requirement should apply to the less significant agreements, leaving the President free to undertake the more important agreements at his own discretion. On the contrary, a fair reading of the framers' own words surely indicates the expectation and intent that the constitutional requirement apply—at a minimum—to agreements of significant consequence.

Ironically, Mr. President, for all of the recent efforts of the Congress to reassert its role in foreign policy—efforts usually justified by references to the Constitution and the intent of the framers—the area in which Congress has perhaps been least successful is the one area in which the Constitution is specific: the requirement for Senate consent in the creation of international agreements. Indeed, we find ourselves today with procedures which have inverted what the framers of the Constitution might reasonable have expected. Agreements involving minor, noncontroversial matters are routinely submitted to the Senate as treaties, while agreements of far greater consequence are entered into as executive agreements—and submitted to the Congress by ad hoc Executive decision only when such legislative participation is seen as politically expedient or necessary.

The month of October of this year provides several cases in point. Among the agreements submitted for Senate advice and consent were a protocol to perpetuate the International Coffee Organization, a convention on regulations to prevent collisions at sea, and an agreement with Brazil concerning shrimp. I do not wish to devalue the importance of any of these agreements, nor do I wish to take issue with the propriety of their submission as treaties. All pertain to matters of some significance, and all should have been submitted as treaties, just as they were. But I think it is fair to say that these agreements do not begin to compare in importance with another agreement which the administration was also in the process of negotiating in October, but which it apparently does not intend to submit as a treaty for Senate approval. I refer, Mr. President, to current negotiations to renew the bilateral Spanish-American agreement concerning U.S. air and naval bases in Spain, U.S. military and economic aid to Spain, and U.S. cooperation with Spain in a whole range of activities from science and technology to cultural exchange. This agreement was concluded as an executive agreement in 1970, despite strong expressions by members of the Senate Foreign Relations Committee that it should be submitted for consideration as a treaty. The agreement expired in September of this year, and is now operating in a grace period which the agreement provides for negotiations toward renewal. On October 23, the Foreign Relations Committee was briefed in executive session on the status of these negotiations; and from the indications at that briefing, I think it was reasonable to infer that, if given latitude in the matter, the administration once again is unlikely to submit any agreement for Senate approval as a treaty.

Mr. President, my colleagues will remember that in recent years the Senate has on several occasions addressed the question of the proper responsibilities of this body in the creation of such significant international agreements relating to U.S. military bases. I regret to say that little has been accomplished, despite admirable efforts by a number of my colleagues, most particularly the distinguished senior Senator from New Jersey (Mr. CASE).

In the 92d Congress, the Senate by a wide margin passed a resolution sponsored by Senator CASE and other members of the Foreign Relations Committee, stating the sense of the Senate that U.S. agreements with Portugal and Bahrein concerning American military bases should be submitted as treaties. When the administration failed to comply, the Senate responded by approving another provision sponsored by Senator CASE denying the use of funds to implement those agreements until they had been submitted to the Senate as treaties. My colleagues may remember that that provision, an amendment to the Foreign Assistance Act of 1972, assumed such importance as to become the principal reason that the bill was never enacted, leaving foreign aid to be funded from a continuing resolution for the entire year.

Again in the 93d Congress, the issue was raised by Senator CASE by means of amendments to annual State Department authorization bills. In 1973 the Senate passed two Case amendments to the State Department bill: One which denied funds for implementation of the Azores agreement until it had been submitted to the Senate as a treaty, and a second which denied funds for the implementation of any significant military base agreement unless first approved as a treaty. Unfortunately, after two conferences with the House, neither provision was enacted. In 1974, the Senate again passed two provisions sponsored by Senator CASE: One dealing specifically with the base on Diego Garcia, and a second relating broadly to all military base agreements. Again, unfortunately, both provisions were lost before enactment.

Mr. President, I believe that this effort must be continued, and pursued to a successful conclusion. Expediency and ill-founded custom cannot be allowed to stand against the requirements of the Constitution. I therefore wish to submit at this time a Senate resolution specifically calling on the administration, at such time as an agreement with Spain has been concluded, to submit that agreement to the Senate for consideration as a treaty. I ask unanimous consent that the text of the resolution be printed in the RECORD.

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

S. RES. 292

Whereas the Constitution states that the President of the United States must have the advice and consent of the Senate in order to make treaties; and

Whereas a comprehensive agreement with Spain providing, among other things, for the stationing of American military forces in that country is clearly a matter of sufficient importance to necessitate its submission to the Senate as a treaty: Now, therefore, be it

Resolved, That any agreement with Spain providing, among other things, for the stationing of American military forces in that country should be submitted as a treaty to the Senate for advice and consent.

Mr. CLARK. I emphasize, Mr. President, that my purpose in submitting this resolution is not to raise an obstacle against the conclusion of a reasonable agreement with Spain, but rather to continue the effort to rectify this Nation's procedures with respect to international agreements. I do, of course, recognize that any agreement with the Franco government or its immediate successor may be controversial. But such controversy would exist whether the agreement were concluded by the executive branch alone, or submitted for approval by resolution of both Houses, or submitted—as I believe it should be—to the Senate for approval as a treaty. My purpose, I reiterate, is constitutional. Because the Constitution is not explicitly worded, we have allowed practices to gain acceptance which are in obvious conflict with any reasonable interpretation of the intent of the framers. My purpose is to take a step toward removing this disparity and toward bringing our practices into line with constitutional intent.

Having introduced this resolution, Mr. President, I would like to address three arguments which may well be raised against it.

First, the argument that some form of congressional approval will suffice.

The first argument is that this resolution is largely unnecessary because the administration has already indicated that it intends to submit the agreement, in some form of the administration's choosing, for approval by the Congress. I am aware of such indications, Mr. President. Indeed, Ambassador McCloskey, the State Department's representative on this matter, stated to the committee that the State Department was now considering the form which such congressional participation should take.

Apparently, having recognized that Congress is concerned about American relations with Spain and that congressional participation is necessary in the implementation of any agreement involving economic and military aid, the administration has made the expedient decision to involve Congress in some way in the approval of the agreement. In my view, Mr. President, this approach is wholly unsatisfactory. My reference point is not the delicacy of U.S. relations with the Spanish Government, nor the State Department's tactics for securing congressional approval of its actions. My reference point is the Constitution. Plainly and simply, the nature of the agreement now being negotiated with Spain, whether that nation has a controversial government or not, is clearly such as to fall within the compass of those agreements which the Constitution requires be approved as treaties by a two-thirds vote of the Senate. While submission in some other form might satisfy the desire of many individuals in this body and in the House of Representatives to participate in the making of American foreign policy—a reasonable desire—it would not satisfy the Constitutional requirement. I therefore reiterate my view—which, I willingly add, is shared by most constitutional scholars—that the Constitution clearly mandates that such significant international agreements be approved as treaties by the Senate.

Second, the argument from past practice.

A second argument which may be voiced against this resolution, Mr. President, is that such a requirement has not been imposed in the past—either generally, in the case of a large number of agreements of comparable importance, or specifically, in the case of previous similar agreements with Spain. My reference, Mr. President, is again to the Constitution, which I submit is not subject to de facto amendment simply because its provisions, once or over a period of time, have not been scrupulously followed. In this connection, I would cite the analysis of former Senator Sam Ervin, a redoubtable constitutional scholar who found that, in matters relating to the Constitution, reliance on past usage is a "wholly unacceptable" guide. Senator Ervin wrote as follows:

"The legal basis for the use of executive agreements is unclear at best, and most frequently has been grounded on the argument of usage—a legal justification that is not entirely satisfactory. As I have often noted in various other contexts, murder and rape have been with us since the dawn of human history, but that fact does not make rape legal or murder meritorious. In effect, reliance on usage in this instance grounds concepts of constitutionality on acquiescence rather than on the written document, and is, to my mind, wholly unacceptable. It always has been my view that the Constitution means what it says. Moreover, I am not impressed with the recitation of so-called precedents to support de facto constitutional amendments. Even 200 years cannot make constitutional what the Constitution declares is unconstitutional."

One may add to this, Mr. President, the eloquent words of George Washington, who issued this warning in connection with the "reciprocal checks" established by the Constitution:

"To preserve them must be as necessary as to institute them. If in the opinion of the People, the distribution or modification of the Constitutional powers be in any particular wrong, let it be corrected by an amendment in the way which the Constitution designates. But let there be no change by usurpation; for though this, in one instance, may be the instrument of good, it is the customary weapon by which free governments are destroyed. The precedent must always greatly overbalance in permanent evil any partial or transient benefit which the use can at any time yield."

Third, the metaphysical argument.

A third argument which may be voiced against a requirement that the treaty form be employed in the agreement with Spain, Mr. President, is that a treaty will entail or imply a formal American commitment to Spain's defense, or that it will somehow "lend dignity" to the agreement, thereby implying approval of the Spanish Government. This might be described as the metaphysical argument—the idea being that somehow a treaty carries with it a great deal of sometimes unwanted metaphysical baggage such as "commitment" and "dignity." This argument was in fact mentioned during the State Department's recent briefing of the Foreign Relations Committee. In all frankness, Mr. President, I find this argument ill-conceived, if not a little disingenuous.

Any agreement, whether it be executive agreement or treaty, formally commits the American Government to adhere to the terms which the agreement contains. Indeed, the two forms have equal standing in international law, both of them being solemn contractual pledges by this Nation. The difference between them inheres neither in formality nor in the degree of commitment once the contract is made, but solely in the domestic procedures by which we as a nation, in keeping with our Constitution, decide to enter into contract.

I do recognize that casual usage of the word "treaty" may have contributed to a mistaken impression that treaties inherently relate to matters of war and peace, and that to employ the treaty form is therefore to undertake a defense commitment. But such a misunderstanding, if it exists, is easily corrected. Each year the United States enters into hundreds of treaties on matters far removed from questions of national defense. Quite obviously, for example, our treaty agreement with Brazil on shrimp does not entail a commitment to Brazil's defense. Equally, a treaty with Spain covering base rights, aid, and cooperation does not inherently involve a commitment to Spain's defense.

To be sure, the presence of bases, under any kind of agreement, raises certain important questions about responsibilities in the event of domestic strife or international hostilities. But that is exactly why the Senate should be involved, playing its constitutional role. Precisely because there are important implications, the commitment, military or otherwise, which is or is not involved should be carefully weighed and then clearly and publicly delineated—for the in-

formation of the American people and the world. Otherwise, we as a nation shall be subject to such casual enunciations of commitment as that supplied several years ago by General Wheeler who, as Chairman of the Joint Chiefs of Staff, wrote to the Spanish authorities to say that the presence of American bases in Spain constituted more of a military commitment than any document could ever provide. As this example indicates, the risk of misunderstanding may easily be greater if the Senate does not play its constitutional role—because in the process of Senate consideration and approval, areas of possible doubt may be made clear. In short, while I would never accept the argument that we should ignore our constitutional processes for fear that foreign observers might misunderstand our intentions, I submit that even that alleged risk is a false issue. As to the notion that we may confer dignity on others by use of the treaty form, I suggest that we attend first to the dignity of our Constitution.

In conclusion, Mr. President, I refer to a proposition which appears in the State Department's memorandum contending that the President has full latitude to enter into agreements in any form he chooses, thus deciding whether or not the Senate will be involved. In the course of so arguing, the memorandum states that "an executive agreement with a nation this year may better be entered into as a treaty relationship next year." In one limited sense, I concur with that statement, Mr. President. I agree that the accord with Spain, which was entered into as an executive agreement in 1970, may better be entered into as a treaty in 1975—not, however, because of Presidential flat but because the time has now come, after years of neglect, for the Senate to reassert its constitutional role in the contracting of international agreements.

Mr. SPARKMAN. I thank the distinguished Senator who has given us a very fine discussion and who was most helpful throughout the consideration of this treaty in the committee.

Mr. President, I suggest the absence of a quorum and I ask unanimous consent that it be charged equally to both sides.

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

Mr. MANSFIELD. Mr. President, are we in executive session?

The PRESIDING OFFICER. The Senate is in executive session.

OPERATION SAIL—NEW YORK HARBOR

Mr. MANSFIELD. Mr. President, as in legislative session, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 912, Senate Joint Resolution 201.

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

The joint resolution (S.J. Res. 201) to authorize and direct the Secretary of the Army, acting through the Chief of Engineers, to undertake dredging operations for Operation Sail was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, with its preamble, reads as follows:

Whereas the Congress finds that—

(a) Operation Sail is a major Bicentennial activity and an international undertaking involving almost every four-masted sailing ship in the world plus many smaller vessels and a display and review of United States and foreign naval vessels. The President of the United States and the Queen of England are scheduled to participate in this activity;

(b) on or about July 3, 1976, approximately two hundred unique sailing ships representing many nations of the world are scheduled to arrive in New York Harbor and surrounding waters to commemorate the United States Bicentennial;

(c) the sailing ships will be berthed in basins and marinas throughout the New York/New England area for public display and visits. Four of the most significant sailing vessels are scheduled for berthing in the South Street Museum area of downtown New York City which is the focal point of this major Bicentennial event;

(d) some docking areas for the ships participating in Operation Sail are of inadequate depth;

(e) the United States Army Corps of Engineers currently maintains New York Harbor and surrounding waters for navigation purposes and has the capability of providing adequate docking depths for the ships of Operation Sail; and

(f) the United States Army Corps of Engineers has extensive knowledge of the technical and environmental aspects of dredging in the New York area and can apply this expertise to the dredging required in the areas proposed for the docking of the ships of Operation Sail: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Army, acting through the Chief of Engineers, is hereby authorized and directed to dredge New York Harbor in the vicinity of the South Street Seaport Museum, Manhattan, New York, to an authorized depth of eighteen feet for the purpose of providing adequate docking depth for ships of Operation Sail.

The Secretary of the Army, acting through the Chief of Engineers, is authorized to use any funds presently available to him for operation and maintenance of navigation in New York Harbor and surrounding waters to carry out the work authorized by this resolution presently estimated to cost $100,000.

ORDER FOR RECOGNITION OF MR. WILLIAM L. SCOTT TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that on tomorrow, after the joint leaders have been recognized, the Senator from Virginia (Mr. WILLIAM L. SCOTT) be recognized for not to exceed 15 minutes.

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

THE TREATY OF FRIENDSHIP AND COOPERATION WITH SPAIN: EXECUTIVE E, 94TH CONGRESS, 2D SESSION

The Senate, as in Committee of the Whole, continued with the consideration of Executive E, 94th Congress, 2d session, the Treaty of Friendship and Cooperation Between the United States and Spain.

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. HUMPHREY. Mr. President, I ask unanimous consent that the order of the quorum call be rescinded.

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

Mr. PELL. Mr. President, this past February I made the first factfinding trip to Spain by a Member of Congress since the death of Franco the previous November. I went to Spain very skeptical about the advisability of entering into a treaty relationship with that country because I was not convinced that the new regime was substantially different from its predecessor.

After talking with opposition party leaders, the Premier, and to King Juan Carlos, however, I became convinced that sincere efforts were being made to lead Spain into a more liberal and democratic future. I also concluded that the proposed Treaty of Friendship and Cooperation Between Spain and the United States could play a constructive and important role in encouraging continued progress on the road to liberalization.

In the report which I submitted to the Foreign Relations Committee I summed up my findings as follows:

> While I find much that is disquieting about the constitutional reform currently being contemplated, it is nevertheless a remarkable beginning after more than a third of a century of dictatorship. With patience and persistent pressure, the United States and its allies in Western Europe should be able to bring about further liberalization in Spain. I am convinced that if the United States by rejecting the treaty condemns as unacceptable the still modest, but promising, beginning which Spain is making to become a modern, democratic society the effect will be not to aid democracy, in that country, but to set it back by many years.

I still believe that that is a valid view.

While I intend to vote for the resolution of advice and consent to ratification and urge my colleagues to do likewise, I would like to offer some friendly advice to the Government of Spain.

First of all, I would like to emphasize the importance which I—and I believe all of my colleagues in the Senate—attach to the language in the advice and consent resolution stating that the Senate "hopes and intends that this Treaty will serve to support and foster Spain's progress toward free institutions. * * *" I have been encouraged by the recent steps taken by the Government looking forward to elections and a more representative legislature. On the other hand, I have been very distressed by the many press reports which have appeared lately concerning the torture of political prisoners in Spain. I strongly urge the Spanish authorities to investigate thoroughly such charges and to punish those who have been responsible for committing such violations of the

fundamental human right to humane treatment.

Second, I wish to urge the Spanish authorities to take a very hard look at their position on the Treaty on the Non-Proliferation of Nuclear Weapons. Paragraph (3) of the resolution on advice and consent to ratification came about as a result of an amendment which I offered to the original resolution in the Foreign Relations Committee. That paragraph states that:

The United States, recognizing that this Treaty provides a framework for continued nuclear cooperation for peaceful purposes with Spain, looks forward to a continued relationship in this field commensurate with steps taken by Spain toward becoming a party to the Treaty on the Non-Proliferation of Nuclear Weapons or placing all of its nuclear facilities under safeguards administered by the International Atomic Energy Agency;

Early action by the Government of Spain to adhere to the NPT or to put all of its nuclear facilities—not just those supplied by the United States—under IAEA safeguards would enhance Spain's prospects for receiving important benefits under article XIV of the supplementary agreement on scientific and technological cooperation dealing with nuclear cooperation for peaceful purposes.

Finally, it is my hope that Spanish Government will, as part of this developing friendship and cooperation, agree to a long-term extension of the Radio Liberty transmitter lease in Spain.

The lease agreement, which had been in existence for 19 years and expired a few months ago, has been mutually beneficial. From the viewpoint of the United States, the transmitter site is propagationally ideal for these important Radio Liberty broadcasts to the Soviet Union. From Spain's viewpoint, the lease arrangements confer not only economic benefits but a significant political advantage—in that Spain identifies itself more closely with the Western democracies who, as the North Atlantic Assembly has continuously emphasized, support the mission of Radio Liberty and Radio Free Europe.

It would be most difficult for the United States if Spain were not to renew the lease agreement, because this would force a relocation of the transmitter elsewhere at great cost. On the other hand, the continuation of Radio Liberty in Spain would be conducive to deepening our bilateral relations, in the spirit of the treaty which we are asked to approve.

I yield the floor.

Mr. HUMPHREY. Mr. President, I rise to join in support of this treaty. First of all, I wish to make note of the fact that it is a treaty and not an executive agreement, which is a policy that has been urged upon the administration by the Committee on Foreign Relations.

We felt on many an occasion that too many important commitments were being made on the basis of executive agreements, thereby bypassing the constitutional procedures for advice and consent from the Senate.

In this instance, we do have a treaty that has been carefully negotiated and which I believe fulfills the objectives, or can fulfill the objectives, to which it is directed.

I should like to make just one or two supplementary remarks to those already given by the distinguished chairman of the committee (Mr. SPARKMAN) and by my colleague (Mr. PELL), who was so instrumental in, I believe, strengthening the provisions relating to the ratification of the treaty, and also to the splendid work and leadership on the part of Senator CLARK.

There are one or two observations that are pertinent.

First of all, the treaty affords the United States access to three airbases and one naval base.

This treaty runs for a period relating to these bases of 5 years. The point has been made that the sum of money involved was rather large, in fact, very large, $1,200,000,000. But I think it should be noted that the $1,200,000,000 is not for rental of the bases but rather for military aid and credits and economic aid.

The bases, we can honestly say, may not be vital to American national security, even though I consider it important and, therefore, we should take a good hard look at what we are paying for these bases.

When we do that, it becomes clear that most of the money, more than $1 billion, is in loans, Export-Import Bank loans, and foreign military sales credits, which are for the purchase of U.S. products and require no subsidy whatsoever by U.S. taxpayers, and are loans on a short-term basis that are fully repayable with interest.

So, from this point of view, there is a billion-dollar economic transaction which will be very worthwhile for the American economy.

Thus, the real cost of the bases is reduced over a 5-year period to about $120 million, or $24 million per year, plus one $50 million expenditure for a joint aircraft control and warning network from which the United States will directly benefit.

So on the basis of costs, this treaty surely can be justified.

Furthermore, it does promote the normalization of relationship between the United States and Spain, it does promote the enhancement of commerce and trade, and it does, I believe, strengthen our overall security arrangements for Western Europe, the Mediterranean and the Atlantic.

The Senator from Rhode Island has made note of the importance of the Radio Liberty transmitter station in Spain. This matter was brought to the attention of the Spanish authorities. Indeed, it was even brought to the attention of the King of Spain when he was here on an official state visit.

We believe that Radio Liberty transmitter site in Spain is of importance for our overall future policy. It is also of importance to the Spanish Government and the Spanish people. It does more closely identify Spain with the Western democracies and I believe it can serve a very useful purpose.

I suggest that the Spanish Government see fit to renew the contract, or the lease, for the Radio Liberty transmitter so that there may be no interruption of the services of this important arm of information beamed into Eastern Europe and into the Soviet Union.

The important part of this treaty, other than the mutual defense aspects, are the five paragraphs which constitute the declaration made as a part of the resolution of ratification.

I know that the distinguished chairman (Mr. SPARKMAN) has referred to these paragraphs, as has, indeed, the Senator from Rhode Island, and others, but it is in these paragraphs that the Congress of the United States expresses its interest in and its support for Spain's progress toward free intitutions and toward Spain's participation in the institutions of Western European political and economic cooperation.

The Spanish Government now is making progress toward the achievement and the establishment of democratic institutions. Only recently, the Government for the first time since 1938 has authorized the establishment of political parties. The Government now looks with favor upon the free trade union movement. The Government of Spain looks upon the Communist Party as a threat to its stability.

I think it is fair to say that the Government of Spain as it progresses toward a more liberal and progressive philosophy of government will have to be on guard against the forces of totalitarianism both on the right from its Fascist groups, and from the extreme movement on the left, not only the Communist Party, but of even more radical influences than the Communist Party.

On balance, this is a good treaty. It does something that I believe is in the interests of the United States.

Mr. President, I have said that I believe this treaty is in the interests of the United States as well as in the interests of the people of Spain.

The United States can be of great help if it is careful and prudent in its efforts to improve the conditions for democratic institutions and the enhancement of democracy in Spain.

The United States can assist, be of help, by urging Spain and helping her wherever possible to have closer relations with the European Economic Community and, hopefully, the North Atlantic Treaty Organization.

These are long-range goals, both of which may take some time, particularly the Spanish involvement in or participation in the European Economic Community.

Spain occupies a very strategic geographical point in world politics and in the national security interests of Western Europe and the United States.

It is Spain which is just across the waters from north Africa. It is Spain that holds a pivotal position in the entrance to the Mediterranean, and it is in the Mediterranean, of course, that the

6th Fleet of the U.S. Navy is stationed for purposes of mutual security.

Mr. President, I support this treaty. I commend those who have negotiated it.

It is my hope that the Government of Spain will move forward on its carefully chartered course of liberalization of political institutions.

The King of Spain paid us a visit. We were honored by that visit. I think we found in him a strong man, dedicated to the advancement of progressive forces in Spain.

Mr. President, I ask unanimous consent that the five paragraphs known as the committee declaration relating to the resolution of ratification be printed at this point in the RECORD.

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

(1) the United States, recognizing the aspiration of Spain to achieve full participation in the political and economic institutions of Western Europe, and recognizing further that the development of free institutions in Spain is a necessary aspect of Spain's full integration into European life, hopes and intends that this Treaty will serve to support and foster Spain's progress toward free institutions and toward Spain's participation in the institutions of Western Europe political and economic cooperation;

(2) the United States, while recognizing that this Treaty does not expand the existing United States defense commitment in the North Atlantic Treaty area or create a mutual defense commitment between the United States and Spain, looks forward to the development of such an expanded relationship between Western Europe and a democratic Spain as would be conducive to Spain's full cooperation with the North Atlantic Treaty Organization, its activities and mutual defense obligations;

(3) the United States, recognizing that this Treaty provides a framework for continued nuclear cooperation for peaceful purposes with Spain, looks forward to a continued relationship in this field commensurate with steps taken by Spain toward becoming a party to the Treaty on the Non-Proliferation of Nuclear Weapons or placing all of its nuclear facilities under safeguards administered by the International Atomic Energy Agency;

(4) Senate advice and consent to ratification shall be understood to apply only to the initial five-year period of the Treaty, so that any United States agreement to an extension of the Treaty shall require the further advice and consent of the Senate; and

(5) the sums referred to in the Supplementary Agreement on Cooperation Regarding Material or the Armed Forces and Notes of January 24, 1976, appended to the Treaty shall be made available for obligation through the normal procedures of the Congress, including the process of prior authorization and annual appropriations, and shall be provided to Spain in accordance with the provisions of foreign assistance and related legislation.

ADDITIONAL STATEMENTS SUBMITTED

Mr. RIBICOFF. I urge the approval of the Treaty with Spain. It will strengthen the friendship between our two countries, and help to maintain peace and stability in Western Europe.

I would, however, call to the attention of my colleagues the matter of the lease of Radio Liberty in Spain. This lease which has been in existence for almost 20 years has now expired. Negotiations for a long-term renewal have not yet been successful. I hope that this is not a disturbing sign.

Radio Liberty broadcasts news, information, and cultural matters to the Soviet Union. This material is not usually carried by other Western broadcasters. I refer, for instance, to the literature of famous Russian writers whose works are not published in the Soviet Union.

Radio Liberty needs a good transmitter base in order to reach the people of the Soviet Union. The present site on the Iberian Peninsula is technically superior to almost any other location.

I trust that Spain will agree to a long-term extension of the lease agreement. This will constitute an additional sign of the firmness of our bilateral relations.

Mr. TAFT. Mr. President, I intend to vote for the treaty with Spain. I believe that Spain and the United States have vital security interests in common, which will be served by this treaty. I think it is in the interest of the United States to encourage the moderate, prodemocratic government of King Juan Carlos.

However, I would like to note that I am voting for this treaty with the understanding that Spain will agree to a long-term renewal of the Radio Liberty lease on transmitter facilities in Spain. Radio Liberty is one of our most important efforts to bring to the people of the Soviet Union accurate and undistorted information about the West. For 19 years the Radio Liberty transmission facilities in Spain have supplied four-fifths of the power for these important broadcasts. The site is ideal, in terms of broadcasting to the U.S.S.R.; the lease arrangements have worked well and have brought Spain economic benefits; relocation to another site that would be technically feasible would take at least 3 years and cost more than $20 million.

The same common security interests which are served by this treaty with Spain are also served by the Spanish facilities of Radio Liberty. It would, in my view, be highly inconsistent for Spain to enter into this treaty relationship with the United States, and seek possible membership in NATO, and at the same time not renew the lease of the Radio Liberty transmission facilities. I hope sincerely that the Spanish Government will act to renew the lease for Radio Liberty.

Mr. BROCK. Mr. President, before we vote on this treaty, I should like to express my concern regarding the future of the Radio Liberty transmitter lease in Spain. This lease expired a few weeks ago and I can only hope that the Spanish Government will renew it on a long-term basis since these transmitter facilities are vital to Radio Liberty's broadcasts to the Soviet Union. Radio Liberty has had this base in Spain since 1957. The Iberian Peninsula is propagationally ideal for broadcasting to the U.S.S.R. The broadcasts, which are fully consonant with the Helsinki Declaration inasmuch as they further human rights and the free flow of information, bring to the inhabitants of the Soviet Union in Russian and 15 nationalities' uncensored news, information, and cultural material.

If the Spanish Government were not to renew this lease it would cost the American taxpayer a great deal of money to relocate in another country. I am glad to hear that our Government has made it clear to the Spaniards that the continued availability of Radio Liberty facilities constitutes a significant aspect of the broadening relationship between Spain and the United States.

Mr. BAKER. Mr. President, we are today considering the ratification of the Treaty of Cooperation and Friendship with Spain. This treaty is an act of great significance to the United States; first, because it represents a reaffirmation by the United States of its dedication to the establishment of democratic principles and institutions wherever they can be encouraged; and second, it represents a reaffirmation of the process of cooperation between the executive and legislative branches of the Government in fulfilling their respective constitutional mandates in the development of foreign policy.

The treaty comes to us against a backdrop of world affairs that cannot on balance be deemed encouraging. Peace in the Middle East remains an elusive dream; and the continuing tragedy visited upon the Lebanese people has come painfully home with the assassination of Ambassador Meloy and his aide, Mr. Robert O. Waring. Within the NATO Alliance, the problems continue unabated: the instability of Portugal, the conflict between two good allies over Cyprus, and the uncertainty over the political future of Italy. Against this backdrop, therefore, the Treaty of Cooperation and Friendship with Spain, and particularly the hoped-for evolution toward democracy in that country intrinsic to the treaty, becomes an especially bright light and source of encouragement.

In a very real sense, the peaceful evolution of the Spanish Government, for years one of severe oppression, to one of democratic principles and institutions represents a historic experiment similar in many respects to the one we are this year celebrating as our national Bicentennial. We should not be, and I do not believe we are, deluded with respect to the ease by which that experiment might be successfully concluded. From our own experience, we know it to be a difficult task; and the problems facing Spain and King Juan Carlos, cast ironically by Generalissimo Franco into the role of a reformer, are significant. Facing strong pressure from the right to go slowly, and equally strong pressure from the left to change rapidly and with strident nationalist factions compounding the problem, the line between stability and instability which King Carlos must walk is a fine one.

By the provisions of this treaty, we cannot hope to buy a democracy in Spain; but neither can we refuse to encourage the development and assist in the development of the political and economic stability necessary for the delib-

erate, but continual, evolution toward democracy.

Mr. President, one hopes that the measures of assistance provided for in this treaty will contribute to the development of a strong democratic government in Spain. More important to that development, however, notwithstanding any measure of assistance, is the determination and resolve of the Spanish people and their government to establish and perpetuate a state capable of and dedicated to the creation of political and economic ties with the other great democracies of the Western World. With the rich social and cultural heritage of the Spanish people and their potential for economic strength and importance, we can look forward to the eventual complete integration of Spain within the Western economic structure. We have, by this treaty, provided the framework within which Spain may eventually become a member of NATO and, thereby, be committed to the defense of the Atlantic community of nations. These eventualities are an encouraging prospect and ones that, particularly in these often discouraging times, we should be grateful for.

Earlier, Mr. President, I noted that there were two significant statements made by this process of ratification. I would like to speak to the second only briefly; and that is to say that we should all be encouraged by the manner in which this treaty has come before us. Because it is a treaty with lasting ramifications throughout the Atlantic community, and because it contains provisions of substantial economic assistance and support, it is more than obvious that the Congress should be an integral part in the making of these commitments. I must openly commend the administration for its ready recognition of that fact.

Moreover, I believe that we should commend the Foreign Relations Committee and those Senators who participated in the development of the declaration of ratification for their sensitive treatment of our commitment to the establishment of a democratic Spanish state and its potential as a member of the Western political and economic community. By this declaration, we constructively endorse and encourage the principles of democracy to which we are committed without destructively interfering in the internal processes of the government of another people. They have struck a thoughtful balance between honoring the implicit commitment of the executive and preserving the role of the Congress to shape and direct the commitments of the people of the United States to those of another nation.

So, Mr. President, although our problems are many, perhaps assisted by the ratification of this treaty, we can look forward to a time when we need not count uncertainty in Spain among them.

Mr. EAGLETON. Mr. President, the treaty we consider today is unlike most which come before the Senate. The Treaty of Friendship and Cooperation between the United States and Spain is an important international agreement.

I need not remind my colleagues of the frustrations the Senate has experienced in getting the executive branch to recognize the constitutional power of advice and consent. I am hopeful that our action today will create an important precedent for a new era—an era wherein the Senate of the United States will perform its proper role in both the formulation and approval of our Nation's international commitments.

Consideration of the treaty before us today has not been an easy task. Procedural and policy considerations have provided serious challenges throughout the decision process.

This is the first so-called bases agreement to be submitted to Congress in treaty form. Past practice has had the President committing the Nation by executive agreement to a leasing arrangement for foreign bases. Legal authorization and the appropriation of funds to implement such agreements came to Congress only after the commitment was made, during the annual consideration of foreign assistance legislation.

This procedure, in my view, unconstitutionally excluded the Senate from the initial policy undertaking. Both Houses were involved in the implementation process; however, this was essentially a rubberstamp function which provided no opportunity for the type of consultation the "advice-and-consent" clause contemplated.

When this treaty was sent to the Senate—with the request for approval encompassing the entire multiyear package—other problems arose. Would Congress hands be tied for 5 years after the initial ratification? Would the House be excluded from the authorization process? How, under the Budget Act, would we commit the United States financially for such a period of time? Did the granting of "advice and consent" after May 15 require a waiver under the Budget Act?

One way or another each of these problems was resolved, though not without considerable testing of patience, and not without leaving some rather serious legal and constitutional implications for the future.

First, the executive branch sent us a document which, in the context of the current relationship between the branches, begged for trouble. Approval of the treaty would have committed the Congress to authorize the full 5-year "quid," unlike the executive agreements of the past wherein the "quid" was considered on an annual basis and was always contingent upon congressional approval. Legally, the Senate's approval of this treaty could have constituted the 5-year authorization.

This problem has been resolved by adding a declaration to the advice and consent resolution stating that an annual authorization will be required. I fully support this declaration since, on principle, I do not feel it right to forgo the annual authorization process.

My concern, however, is that the wrong message may have been received by the executive branch. I fear that our handling of this matter could well be used by the Executive to justify a return to the use of executive agreements.

To prevent this incorrect interpretation it should be made clear that though the Senate has, in this instance, chosen to clarify the treaty to involve the House in the authorization process, this was a prerogative of the Senate. If treaties are sent to us in this form in the future—and the message I want to transmit to the State Department is that they should not be—the Senate holds the constitutional power to determine how the authorization question will be handled.

The request of the House International Relations Committee that it be given the opportunity to consider the authorization of the implementing legislation for this treaty—as expressed in Chairman MORGAN's letter to Senator SPARKMAN—was proper and correct. However, the suggestion by other House Members that future bases agreements be submitted for approval by joint resolution to assure House participation in these matters should be seen as nothing less than a serious threat to the treaty power of the Senate. The accession of this body to such a suggestion would represent an abrogation of our constitutional duties.

The answer does not lie in undercutting the power of the Senate. The answer lies in the form of the agreement which is negotiated. In the future the executive branch should submit the umbrella agreement to the Senate for its advice and consent. Appendixes, containing specific money amounts, should be subjected to the authorization and appropriation processes, as in the case of past executive agreements.

Much can be learned from our experience with this treaty. I am hopeful that the State Department and the Foreign Relations Committee will study the history of these procedural problems and consult on ways to avoid them in the future.

Mr. President, the Senate has had to deal with difficult substantive as well as procedural challenges in considering this treaty. We were faced with the prospect of entering a new relationship with Spain at a time when that country is undergoing an important transition.

Will ratification of this treaty be interpreted as endorsement of the status quo in Spain today, thereby alienating the future leadership of a democratic Spain? That has not been an easy question to answer, for contemporary Spain is emitting contradictory signals. On the subject of the various political crosscurrents in Spain today, I call the attention of my colleagues to an excellent analysis prepared by Mr. Brian Atwood of my staff after his recent visit with several key Spanish leaders in Madrid. Mr. Atwood's report can be found at page S6656 of the RECORD of May 6, 1976.

Among the confusing signals from Spain today, we see, on the one hand, a young forward-looking king who places his crown solidly behind the sacred principles of democracy in a speech before Congress. On the other hand, a prominent former newspaper publisher is ar-

rested upon his return to Madrid for "slandering" Francisco Franco several years ago.

On the one hand, an energetic foreign minister visits the capitals of the Western World attesting to the dedication of his government to move toward democracy. On the other hand, Spain's most prominent weekly magazine is threatened with closure for portraying the King dancing over the skyscrapers of New York in a cartoon sketch.

Are these contradictions simply the awkward manifestations of a country unfamiliar with democratic freedoms? Perhaps in part. But the major cause of these apparent aberrations in government policy is the effort on the part of some cabinet ministers to sabotage the democratization process and, along with it, the credibility of the architects of that policy.

Mr. President, the arrest of Mr. Calvo-Serer did contradict and undermine the powerful commitment King Juan Carlos made to democracy only a few days before. And that was exactly the intention of some of those ministers who remained behind in Madrid.

Parenthetically, I am pleased to report that Mr. Calvo-Serer was released last Friday. Ambassador Alba of Spain called my office to inform me of that good news.

Mr. President, because of these recent incidents, many have urged me to vote against this treaty today or to cause it to be held up. I have given their position serious thought, but I have concluded that such action would be playing directly into the hands of those who seek to derail the move toward democracy in Spain. I am convinced that this treaty will have a beneficial impact on the reform process by strengthening those in the Spanish Government who want to bring their country into a closer relationship with the democratic nations of the Western World.

I want to hastily add that I am not under any illusions as to the hard road ahead for Spain. Nor am I under the illusion that the ratification of this treaty will have a major significance in the democratization process—though its defeat would, in my view, represent a serious setback.

There is a struggle underway in Spain which, though it is tempered by the painful memory of civil war, can have revolutionary consequences. It will not be easy to create the institutional balance necessary to keep the powerful force of political activity on a positive bearing.

Mr. President, Senator CLARK and I have introduced language which hopefully will go forward as part of the Senate's advice and consent resolution. When ratified, this language will put forth the hope of the world's largest democracy, the United States, that Spain will continue toward the development of free institutions. These declarations express the aspiration of this free people that a democratic Spain will one day participate fully in the economic and defense alliances of the Western World.

Though these declarations are expressions of hope, they are also motivated by a strong expectation that the evolution toward democracy will continue. The Spanish Government must understand that the nature of future relations with the United States will depend upon its ability to carry out its publicly stated democratization policy.

Mr. President, we will finish our work on this important treaty today, but the struggle in Spain will go on. Many Spaniards fear that the American people will lose interest in that struggle. The declarations we approve today will stand as a constant reminder of our obligation. Nonetheless, I feel it necessary to translate these legalistic expressions into an explicit avowal of continuing support.

To those in Spain who are dedicated to the achievement of democracy, let us state that the Congress of the United States will not abandon your cause. The ratification of this treaty is the first step in a continuing policy . . . it is a sign of support for those within your Government who share the cause of democracy. We pray that you succeed.

Mr. STEVENSON. Mr. President, article LV of Supplementary Agreement No. 2 of this treaty provides that the Export-Import Bank of the United States is prepared to commit credits and guarantees of approximately $450 million for Spanish companies. The Export-Import Bank Act of 1945, as amended, provides, in section 2(b)(3) that no loan, guarantee, or combination thereof of $60 million or more shall be finally approved by the Bank unless the Bank has submitted a detailed statement describing and explaining the transaction at least 25 days of continuous session of the Congress prior to the date of final approval. It should be made clear, if it is not, that nothing in the treaty we are asked to approve overrides or affects this provision of the Export-Import Bank Act. The treaty does not supersede the Export-Import Bank Act or any other U.S. law. The treaty does not relieve the Export-Import Bank of the obligation to submit statements on loans and guarantees as required by the act. And approval of the treaty does not commit the Congress to approve any transaction subject to the provisions of this act.

Mr. HASKELL. Mr. President, I intend to vote against ratification of the Treaty of Friendship and Cooperation with Spain. I do so not out of any hostility to Spain or the Spanish people, but in firm opposition to the increasingly frequent and costly practice of the United States' attempt to purchase the goodwill of other nations.

This is by no means a recent phenomenon. A decade ago, vast amounts of military aid were provided to several Asian countries in exchange for military bases, or friendship as it was euphemistically and misleadingly labeled. Yet in both the Philippines and Thailand, who jointly received several billion dollars of American aid, the friendship rapidly cooled in the face of changes in internal and external conditions.

But these setbacks have not stilled the ardor of some in the executive branch in attempting to purchase friendship. Additional, extravagant agreements have been negotiated. One and a half billion dollars have been slated for Greece and Turkey in a dual effort to buy both peace and renewed permission to use bases which we originally built. In the Middle East, vast sums have recently been offered to the conflicting parties in hopes of improving relations and promoting stability. Thus, the Spanish treaty is one of a series of agreements which I find of questionable value.

All these treaties also share the common denominator of being overwhelmingly military in emphasis. Called a "Treaty of Friendship and Cooperation with Spain," the latest agreement in fact provides 25 times as much money for military matters as for science and education. The familiar pattern is perpetuated: the treaty benefitting primarily the military establishment, not the general population on whom long-term friendship truly depends.

I hold no grudge against the Spanish people. Indeed, it is they who have had to endure the privations and hardships of the last four decades. I am not prejudging the current Spanish Government. In fact, I am heartened by the evidence that the process of liberation is continuing to progress. I do object to the repeated requests for billions of tax dollars to be expended seeking friendships which ultimately cannot be purchased.

The United States enjoyed its greatest prestige among nations when it was the exemplar of liberty and the leader of nations seeking a world free from material and spiritual want. The substitution of power politics and mercenary alliances for the pursuit of commonly held ideals is a trend which I deplore. The United States must reassert the principles which successfully guided our foreign policy in the past with a stress on self-determination, self-reliance and individual freedom. I do not think that the Treaty of Friendship and Cooperation with Spain is consistent with those objectives, and I therefore will vote against it.

SUPPLEMENTARY EXTRADITION TREATY WITH SPAIN—EX. B

EXTRADITION TREATY WITH THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND—EX. A

CONVENTION OF REGISTRATION OF OBJECTS LAUNCHED INTO OUTER SPACE—EX. G

TREATY WITH SWISS CONFEDERATION ON MUTUAL ASSISTANCE IN CRIMINAL MATTERS—EX. F.

Mr. MANSFIELD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MANSFIELD. Mr. President, what

is the parliamentary situation in relation to the four noncontroversial treaties and the two votes?

The PRESIDING OFFICER. Under the previous order, the hour of 12:30 having arrived, the Senate will now proceed to vote en bloc on the resolutions of ratification of Executive B, 94th Congress, second session, Supplementary Extradition Treaty with Spain; Executive A, 94th Congress, second session, Extradition Treaty with the United Kingdom of Great Britain and Northern Ireland; Executive G, 94th Congress, second session, Convention on Registration of Objects Launched into Outer Space; and Executive F, 94th Congress, second session, Treaty with the Swiss Confederation on Mutual Assistance in Criminal Matters.

In answer to the majority leader's inquiry, the vote on the Spanish friendship treaty will occur starting at 3:15 p.m.

Mr. MANSFIELD. I thank the Chair.

The PRESIDING OFFICER. (Mr. CULVER). The clerk will state the first resolution of ratification.

SUPPLEMENTARY EXTRADITION TREATY WITH SPAIN

The resolution of ratification of Executive B was read as follows:

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Supplementary Extradition Treaty with Spain, signed at Madrid on January 25, 1975 (Executive B, 94th Congress, second session).

The PRESIDING OFFICER. The question is, will the Senate advise and consent to the resolution of ratification on Executive B, 94th Congress, second session, the Supplementary Extradition Treaty with Spain?

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 Idaho (Mr. CHURCH), the Senator from Mississippi (Mr. EASTLAND), the Senator from Utah (Mr. MOSS), the Senator from Mississippi (Mr. STENNIS), the Senator from Illinois (Mr. STEVENSON), and the Senator from Georgia (Mr. TALMADGE) are necessarily absent.

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

I also announce that the Senator from Missouri (Mr. SYMINGTON) is absent because of illness.

Mr. HUGH SCOTT. I announce that the Senator from Arizona (Mr. GOLDWATER), the Senator from Michigan (Mr. GRIFFIN), and the Senator New York (Mr. JAVITS) are necessarily absent.

I further announce that the Senator from New York (Mr. BUCKLEY) is absent due to illness.

I further announce that, if present and voting, the Senator from Arizona (Mr. GOLDWATER) and the Senator from Michigan (Mr. GRIFFIN), would each vote "yea."

The yeas and nays resulted—yeas 88, nays 0, as follows:

[Rollcall Vote No. 304 Ex.]

YEAS—88

Abourezk	Garn	Mondale
Allen	Glenn	Montoya
Baker	Gravel	Morgan
Bartlett	Hansen	Muskie
Bayh	Hart, Gary	Nelson
Beall	Hart, Philip A.	Nunn
Bellmon	Hartke	Packwood
Bentsen	Haskell	Pastore
Biden	Hatfield	Pearson
Brock	Hathaway	Pell
Brooke	Helms	Percy
Bumpers	Hollings	Proxmire
Burdick	Hruska	Randolph
Byrd,	Huddleston	Ribicoff
Harry F., Jr.	Humphrey	Roth
Byrd, Robert C.	Inouye	Schweiker
Cannon	Jackson	Scott, Hugh
Case	Johnston	Scott,
Chiles	Kennedy	William L.
Clark	Laxalt	Sparkman
Cranston	Long	Stafford
Culver	Magnuson	Stevens
Curtis	Mansfield	Stone
Dole	Mathias	Taft
Domenici	McClellan	Thurmond
Durkin	McClure	Tower
Eagleton	McGee	Tunney
Fannin	McGovern	Weicker
Fong	McIntyre	Williams
Ford	Metcalf	Young

NAYS—0

NOT VOTING—12

Buckley	Griffin	Stennis
Church	Javits	Stevenson
Eastland	Leahy	Symington
Goldwater	Moss	Talmadge

The PRESIDING OFFICER. Two-thirds of the Senators present and voting having voted in the affirmative, the resolution of ratification is agreed to.

THE EXTRADITION TREATY WITH THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND

The resolution of ratification of Executive A was read as follows:

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the treaty on extradition between the United States of America and the United Kingdom of Great Britain and Northern Ireland, signed at Washington on June 8, 1972 (Ex. A. 94–2).

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the resolution of ratification on Executive A, 94th Congress, second session, the Extradition Treaty with the United Kingdom of Great Britain and Northern Ireland?

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 Idaho (Mr. CHURCH), the Senator from Mississippi (Mr. EASTLAND), the Senator from Utah (Mr. MOSS), the Senator from Mississippi (Mr. STENNIS), the Senator from Illinois (Mr. STEVENSON), and the Senator from Georgia (Mr. TALMADGE) are necessarily absent.

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

I also announce that the Senator from Missouri (Mr. SYMINGTON) is absent because of illness.

Mr. HUGH SCOTT. I announce that the Senator from Arizona (Mr. GOLDWATER), the Senator from Michigan (Mr. GRIFFIN), and the Senator from New York (Mr. JAVITS) are necessarily absent.

I further announce that the Senator from New York (Mr. BUCKLEY) is absent due to illness.

I further announce that, if present and voting, the Senator from Arizona (Mr. GOLDWATER) and the Senator from Michigan (Mr. GRIFFIN) would each vote "yea."

The yeas and nays resulted—yeas 88, nays 0, as follows:

[Rollcall Vote No. 305 Ex.]

YEAS—88

Abourezk	Garn	Mondale
Allen	Glenn	Montoya
Baker	Gravel	Morgan
Bartlett	Hansen	Muskie
Bayh	Hart, Gary	Nelson
Beall	Hart, Philip A.	Nunn
Bellmon	Hartke	Packwood
Bentsen	Haskell	Pastore
Biden	Hatfield	Pearson
Brock	Hathaway	Pell
Brooke	Helms	Percy
Bumpers	Hollings	Proxmire
Burdick	Hruska	Randolph
Byrd,	Huddleston	Ribicoff
Harry F., Jr.	Humphrey	Roth
Byrd, Robert C.	Inouye	Schweiker
Cannon	Jackson	Scott, Hugh
Case	Johnston	Scott,
Chiles	Kennedy	William L.
Clark	Laxalt	Sparkman
Cranston	Long	Stafford
Culver	Magnuson	Stevens
Curtis	Mansfield	Stone
Dole	Mathias	Taft
Domenici	McClellan	Thurmond
Durkin	McClure	Tower
Eagleton	McGee	Tunney
Fannin	McGovern	Weicker
Fong	McIntyre	Williams
Ford	Metcalf	Young

NAYS—0

NOT VOTING—12

Buckley	Griffin	Stennis
Church	Javits	Stevenson
Eastland	Leahy	Symington
Goldwater	Moss	Talmadge

The PRESIDING OFFICER. Two-thirds of the Senators present and voting having voted in the affirmative, the resolution of ratification is agreed to.

CONVENTION OF REGISTRATION OF OBJECTS LAUNCHED INTO OUTER SPACE

The resolution of ratification of Executive G was read as follows:

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Convention on Registration of Objects Launched into Outer Space, which was signed by the United States at New York, on January 24, 1975 (Ex. G, 94th Congress, 2nd Sess.)

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the resolution of ratification on Executive G, 94th Congress, 2d session, the Convention on Registration of Objects Launched Into Outer Space?

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 Idaho (Mr. CHURCH), the Senator from Mississippi (Mr. EASTLAND), the Senator from Utah (Mr. MOSS), the Senator from Mississippi (Mr. STENNIS), the Senator from Illinois

(Mr. STEVENSON), and the Senator from Georgia (Mr. TALMADGE) are necessarily absent.

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

I also announce that the Senator from Missouri (Mr. SYMINGTON) is absent because of illness.

Mr. HUGH SCOTT. I announce that the Senator from Arizona (Mr. GOLDWATER), the Senator from Michigan (Mr. GRIFFIN) and the Senator from New York (Mr. JAVITS) are necessarily absent.

I further announce that the Senator from New York (Mr. BUCKLEY) is absent due to illness.

I further announce that, if present and voting, the Senator from Arizona (Mr. GOLDWATER) and the Senator from Michigan (Mr. GRIFFIN) would each vote "yea."

The yeas and nays resulted—yeas 88, nays 0, as follows:

[Rollcall Vote No. 306 Ex.]

YEAS—88

Abourezk	Garn	Mondale
Allen	Glenn	Montoya
Baker	Gravel	Morgan
Bartlett	Hansen	Muskie
Bayh	Hart, Gary	Nelson
Beall	Hart, Philip A.	Nunn
Bellmon	Hartke	Packwood
Bentsen	Haskell	Pastore
Biden	Hatfield	Pearson
Brock	Hathaway	Pell
Brooke	Helms	Percy
Bumpers	Hollings	Proxmire
Burdick	Hruska	Randolph
Byrd,	Huddleston	Ribicoff
Harry F., Jr.	Humphrey	Roth
Byrd, Robert C.	Inouye	Schweiker
Cannon	Jackson	Scott, Hugh
Case	Johnston	Scott,
Chiles	Kennedy	William L.
Clark	Laxalt	Sparkman
Cranston	Long	Stafford
Culver	Magnuson	Stevens
Curtis	Mansfield	Stone
Dole	Mathias	Taft
Domenici	McClellan	Thurmond
Durkin	McClure	Tower
Eagleton	McGee	Tunney
Fannin	McGovern	Weicker
Fong	McIntyre	Williams
Ford	Metcalf	Young

NAYS—0

NOT VOTING—12

Buckley	Griffin	Stennis
Church	Javits	Stevenson
Eastland	Leahy	Symington
Goldwater	Moss	Talmadge

The PRESIDING OFFICER. Two-thirds of the Senators present and voting having voted in the affirmative, the resolution of ratification is agreed to.

TREATY WITH THE SWISS CONFEDERATION ON MUTUAL ASSISTANCE IN CRIMINAL MATTERS

The resolution of ratification of Executive F was read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Treaty with the Swiss Confederation on Mutual Assistance in Criminal Matters, signed at Bern on May 25, 1973, six exchanges of interpretative letters of the same date, and an exchange of interpretative letters dated December 23, 1975, (Ex. F, 94th Congress, 2nd Sess.)

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the resolution of ratification on Executive F, 94th Congress, second session, the Treaty with the Swiss Confederation on Mutual Assistance in Criminal Matters.

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 Idaho (Mr. CHURCH), the Senator from Mississippi (Mr. EASTLAND), the Senator from Utah (Mr. MOSS), the Senator from Mississippi (Mr. STENNIS), the Senator from Illinois (Mr. STEVENSON), and the Senator from Georgia (Mr. TALMADGE) are necessarily absent.

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

I also announce that the Senator from Missouri (Mr. SYMINGTON) is absent because of illness.

Mr. HUGH SCOTT. I announce that the Senator from Arizona (Mr. GOLDWATER), the Senator from Michigan (Mr. GRIFFIN), and the Senator from New York (Mr. JAVITS) are necessarily absent.

I further announce that the Senator from New York (Mr. BUCKLEY) is absent, due to illness.

I further announce that, if present and voting, the Senator from Arizona (Mr. GOLDWATER) and the Senator from Michigan (Mr. GRIFFIN) would each vote "yea."

The yeas and nays resulted—yeas 88, nays 0, as follows:

[Rollcall Vote No. 307 Ex.]

YEAS—88

Abourezk	Garn	Mondale
Allen	Glenn	Montoya
Baker	Gravel	Morgan
Bartlett	Hansen	Muskie
Bayh	Hart, Gary	Nelson
Beall	Hart, Philip A.	Nunn
Bellmon	Hartke	Packwood
Bentsen	Haskell	Pastore
Biden	Hatfield	Pearson
Brock	Hathaway	Pell
Brooke	Helms	Percy
Bumpers	Hollings	Proxmire
Burdick	Hruska	Randolph
Byrd,	Huddleston	Ribicoff
Harry F., Jr.	Humphrey	Roth
Byrd, Robert C.	Inouye	Schweiker
Cannon	Jackson	Scott, Hugh
Case	Johnston	Scott,
Chiles	Kennedy	William L.
Clark	Laxalt	Sparkman
Cranston	Long	Stafford
Culver	Magnuson	Stevens
Curtis	Mansfield	Stone
Dole	Mathias	Taft
Domenici	McClellan	Thurmond
Durkin	McClure	Tower
Eagleton	McGee	Tunney
Fannin	McGovern	Weicker
Fong	McIntyre	Williams
Ford	Metcalf	Young

NAYS—0

NOT VOTING—12

Buckley	Griffin	Stennis
Church	Javits	Stevenson
Eastland	Leahy	Symington
Goldwater	Moss	Talmadge

The PRESIDING OFFICER. Two-third of the Senators present and voting having voted in the affirmative, the resolution of ratification is agreed to.

COMMITTEE MEETINGS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Subcommittee on Agricultral Production, Marketing, and Stabilization of Prices of the Committee on Agriculture and Forestry be allowed to meet until the hour of 2:30 p.m. today.

The PRESIDING OFFICER. As in legislative session, without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

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

Mr. MANSFIELD. Mr. President, what is the pending business?

LEAVE OF ABSENCE

Mr. WILLIAM L. SCOTT. Mr. President, I ask unanimous consent to be excused from the Senate from noon tomorrow and for the remainder of the week for personal reasons.

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

TAX REFORM ACT OF 1976

The PRESIDING OFFICER. Under the previous order, the Senate will now resume the consideration of the unfinished business, H.R. 10612, which the clerk will state.

The assistant legislative clerk read as follows:

A bill (H.R. 10612) to reform the tax laws of the United States.

The Senate resumed the consideration of the bill.

FEDERAL COAL LEASING AMENDMENTS ACT OF 1975

Mr. METCALF. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 391.

Mr. LONG. Mr. President, point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. LONG. Is this a privileged matter?

Mr. METCALF. Yes, it is privileged.

The PRESIDING OFFICER. It is a privileged matter.

The PRESIDING OFFICER (Mr. CULVER) laid before the Senate the amendment of the House of Representatives to the bill (S. 391) to amend the Mineral Leasing Act of 1920, and for other purposes.

(The amendment of the House is printed in the RECORD of January 21, 1976, beginning at page 523.)

Mr. METCALF. Mr. President, S. 391 passed the Senate on July 31, 1975, by a rollcall vote of 84 to 12. At that time it consisted of two titles. Title I except for some amendments from the other body was essentially the same as it is today. Title II was a recognition that Congress has repeatedly attempted to enact a moderate strip mining law and that Presidential vetoes have just as consistently frustrated the actions of Congress. In a final attempt for Congress to carry

out its special constitutional responsibilities with respect to the public domain of the United States, the Senate took all of the previous surface mining bills as agreed to by the conference committees; deleted all except those portions dealing with the public lands and enacted it as title II.

When the bill went to the other body, title II was stricken. Title I was amended in several particulars, three of which are significant. It was returned to the Senate on January 22, 1976, and has been on the President's desk ever since.

I remain convinced that Congress must press forward in its efforts to enact a strong Federal strip mine law. I have, therefore deferred action on S. 391 for over 5 months in hopes that the strip mine bill, which has been reintroduced in the House as H.R. 9725, would be passed once again and sent to the Senate. The House Rules Committee voted to table H.R. 9725. Three months have passed but efforts to discharge the bill from Rules Committee have been of no avail. I have concluded that prospects for timely enactment of strip mine legislation in this Congress are not bright. Neither does it appear that any substantial support exists in the House for combining the Federal lands provisions of the strip mine bill with the Federal coal leasing bill, as was done in the Senate version of S. 391.

In view of the limited time left for enactment of legislation in this Congress, I believe that the Senate should approve the House version of the Federal coal leasing bill, S. 391 as amended, and send it to the President.

S. 391 is designed to eliminate the speculative holding of Federal coal leases and to insure that they will be developed on a timely basis and in a manner which is of benefit to the public. The people own the Federal coal lands covered by the Mineral Leasing Act of 1920, as amended, which is the subject of this legislation. It is, therefore, incumbent upon Congress to see to it that the past abuses of our Federal coal leasing policy are ended. We must have increased coal production from our Federal coal lands to help meet national energy needs. We must also have a decent return from that coal production to the U.S. Treasury and to the States which will be most affected by Federal coal mining.

While the new regulations recently adopted by Interior Secretary Kleppe are a considerable improvement over the previous regulations, they still fall far short of the level of stringency and specificity which was afforded by the vetoed strip mine bill.

I am aware that the administration has certain objections to the House amendment which Secretary Kleppe outlined in a report to Chairman HALEY of the House Interior and Insular Affairs Committee on January 19, 1976.

In my opinion, these objections are ill-founded and not persuasive. My comments on them, together with Secretary Kleppe's letter to Chairman HALEY, follow.

1. PAYMENTS TO STATES

Under section 35 of the Mineral Leasing Act of 1920, as amended, moneys returned to the States from the leasing of coal and other leasable minerals are presently available only for schools and roads. This restriction is onerous because areas newly opened to large-scale coal mining face the need for a sharp increase in all local public services, such as hospitals and sewer systems, as well as schools and roads. Advance local planning for community development is another pressing deficiency.

According to the Council on Economic Priorities—

> The sudden jump in population growth, the emergence of new urban centers, and the possible "boom-bust" economic cycle will cause many social and cultural changes. The Bureau of Reclamation predicts that coal development in the Northern Plains could result in a seven-fold increase in the present population. Between 200,000 and 400,000 people are expected to migrate to eastern Montana.

S. 391, as amended by the House, would act to alleviate these problems by increasing from 37.5 to 50 percent the proportion of revenues going to the States from mineral leasing, and reducing from 52.5 to 40 percent the portion deposited in the reclamation fund. The additional 12.5 percent returned to the States would be available for use in planning, construction, and maintenance of public facilities, with priority to be given to those areas impacted by development of the coal resource. The remaining 10 percent of the revenues would be retained, as under existing law, by the U.S. Treasury.

In addition, section 35 of the Mineral Leasing Act is further amended by providing that all moneys received from geothermal leasing under the provisions of the Geothermal Steam Act of 1970 would be disposed of under the above stipulation, thus increasing from 5 to 12.5 percent the percentage available to the States for use on public facilities.

No other substantial Federal assistance is available to the coal-producing States to deal with predicted population increases triggered by Federal coal development. The new financial resources provided in S. 391 could spell the difference between, on the one hand, the chaotic disintegration of a stable life-style dominated by agriculture, together with all the attendant social ills, and on the other hand, an orderly, rational transition to an urban and semiurban society.

Aside from the environmental effects of the strip mining of Federal coal, no other aspect of western coal development is likely to have more devastating consequences for the people of the Northern Great Plains region in particular, than the coming population change. The help offered in S. 391 is badly needed.

The administration objects to this provision despite the fact that the original Senate bill called for 60 percent payment to the States.

2. FEDERAL EXPLORATION PROGRAM

This legislation adds a new section 8A to the Mineral Leasing Act. Referred to as "exploration," it really is a comprehensive evaluation program for lands to be offered for coal leasing. Under this new section, the Geological Survey is authorized to conduct or contract for exploration activities, including seismic, geophysical, geochemical, or stratigraphic drilling, but it does not limit the right of any party to carry out such activities under section 4 of the bill. The Secretary is to submit to Congress within 6 months of the effective date a plan for implementation of the program.

Stratigraphic drilling is to be carried out so as to obtain information on all recoverable mineral resources. One purpose of the provision is to assure that lands are not leased for surface mining development when greater amounts of coal could be produced through underground mining methods. No similar provision was included in the Senate version of S. 391.

Under existing law exploration on lands in which the resource is not known is carried out largely under a system of issuing prospecting permits. Such permits are issued for specific areas of land and carry with them the right of a preference lease. That is to say, if the holder of a prospecting permit demonstrates the existence of coal in commercial quantities in the permit area, he is entitled to a preference right lease. No competitive lease sale is held in such cases. Secretary Kleppe recently announced suspension of this policy of issuing preference right leases.

Now, due to its reliance upon such private exploratory activity, the Department has been seriously handicapped in determining the actual value of tracts which are up for lease sale, and also in estimating reserves for logical mining units and advanced royalty payments, both critical judgments in the matter of assuring adequate return to the public.

The Department has gradually come to realize the preposterousness of being at the mercy of the prospective lessee in determining coal tract valuations in the expanding program of stratigraphic drilling carried out by the Geological Survey. According to data supplied by the Department subsequent to oversight hearings of the Subcommittee on Minerals, Materials, and Fuels, the Geological Survey spent $1.9 million in fiscal 1975, and is projecting an increase to $4.5 million in fiscal 1979 for its coal reserve base investigations. The total projected for the period 1975–79 amounts to $16.9 million. Despite this fact, Secretary Kleppe objects to this provision of the House amendment. Apparently, he is unaware that it is already being implemented by the Geological Survey.

In a recent study of Federal coal leasing, the GAO strongly recommends increased funding for the Federal coal evaluation programs, specifically recommending to:

> Direct a coal drilling program which would provide data for the development and implementation of a systematic plan for appraising coal resources and ensure implementation of planned and coordinated drilling through Federally financed activities. Data produced through wholly financed activities should be made available for public inspection.

In responding to the GAO recommendation, the Department acknowledged that "expansion of this—coal drilling program—is necessary to supply the Government with additional data to facilitate the coal leasing program." Why the Department objects to the coal eval-

uation program is beyond comprehension.

3. LOGICAL MINING UNIT ACREAGE LIMITATION

The logical mining unit is a concept advocated by the Department of the Interior. The Department recognized that multiplicity of land holdings—Federal, State, private, and Indian ownership—and the likelihood that a failure to consolidate varying types of holdings under a single ownership and control could result in waste of the resource where tracts are too small for economical mining by themselves. Hence the combining of leases in "logical mining units."

The restriction on the size of a logical mining unit—LMU—as set forth in the bill is 25,000 acres. According to calculations based upon the average coal tonnage contained in lands located in the major coal production western States, 25,000 acres—39 square miles—of coal lands would yield the following quantities of coal:

Campbell County, Wyo., 3 billion tons.
Johnson County, Wyo., 6 billion tons.
Sheridan County, Wyo., 750 million tons.
Sweetwater County, Wyo., 450 million tons.
Jackson County, Colo., 800 million tons.
Montrose County, Colo., 250 million tons.
Powder River County, Mont., 1 billion tons.
Custer County, Mont., 500 million tons.

To get an idea of how adequate these quantities of coal are, given a consuming utility seeking a 40-year reserve of coal, a 2,000 megawatt power generating station would consume 280 million tons of coal over a 40-year period. A large strip mine in the West can be expected to produce 600 million tons of coal over the same 40-year period. It would, therefore, appear that 25,000 acres of coal land would amply meet the coal reserve requirements of large powerplants and is not an unreasonable limitation upon the size of the LMU.

State and national acreage limitations in the bill—146,080 acres and 100,000 acres, respectively—are necessary to prevent the concentration of holdings. Of the top 15 Federal leaseholders, none holds more than 100,000 acres of Federal coal lands, so the Federal limitation would not unduly restrict the activities of existing lessees. The State limitation already exists in law, having been increased by Congress from 10,240 acres in 1964.

By any objective criteria, the acreage restrictions on H.R. 6721 appear to be eminently reasonable.

Essentially these three propositions are those to which the administration objects. In addition, Secretary Kleppe outlined other objections to Chairman HALEY. My comments on these are as follows:

4. 12.5 PERCENT ROYALTY

The minimum royalty and rental established in the Mineral Leasing Act of 1920, as amended, is 5 cents per ton and 25 cents per acre for the first year, 50 cents per year for the second to fifth years, $1 per acre thereafter. In the past 54 years the Federal Government has reportedly collected a total of $23,373,920 in royalty payments for a total of 189,099,653 tons of coal. This boils down to an average royalty of a mere 12.5 cents per ton of coal. With bituminous coal values at the mine rising from $4.67 in 1968 to $18.75 per ton in 1975—according to the Bureau of Mines, 12.5 cents per ton is a ridiculously low rate of return.

A study by the General Accounting Office rightly concludes that royalty payments have not been established on a fair basis. S. 391 would rectify this injustice by establishing a minimum royalty of 12.5 percent of the value of the coal, with the Secretary having discretion to set a lower rate for coal produced by underground mining.

Western States with Federal coal reserves stand in dire need of monetary assistance for planning and creating public facilities and services demanded by the thousands of workers who will be attracted to jobs in the coal mines and related processing and power generating plants. Secretary of Interior Kleppe recently announced that the Government wil resume Federal coal leasing and encourage it in order to counter the threat of another oil embargo. If national economic growth comes to depend on this new Federal coal leasing policy, then in all fairness, the Congress must see to it that the costs are evenly distributed. We must avoid burdening the coal-producing regions with the social and environmental costs associated with coal development. By increasing the royalty rate to a minimum of 12.5 percent and by insuring that the States get a 50-percent cut of the revenues from leased minerals, S. 391 would help to spread the load.

By the same token, Congress should avoid overburdening industry with excessive royalty payments. Thus discouraging productivity. There is no evidence to support the allegation that a 12.5-percent minimum royalty would preclude coal development on Federal lands. On the contrary, this proposed rate is entirely commensurate with royalties and taxes already on the books.

The State of Montana recently enacted coal taxes above 20 to 30 percent—depending on the quality of the coal—with no significant reduction to coal production evident. Outer Continental Shelf lands oil and gas royalties are set at 16⅔ percent, with no indication that this rate discourages OCS leasing and production. Given the fact that oil is over 50 percent more expensive for utilities on a Btu basis than coal, it is hard for me to understand how it can be reasonably argued that a 12.5-percent minimum royalty, would render Federal coal uneconomical to mine.

Furthermore, section 39 of the Mineral Leasing Act, as amended, would continue to allow the Secretary to reduce the minimum royalty below 12.5 percent on a tract "for the purpose of encouraging the greatest ultimate recovery of coal." Thus an operator could pay a lesser royalty on that portion of the coal lease which might normally be uneconomical to mine given a 12.5-percent royalty, in the interests of conservation of the resource.

The lower royalty rate for underground mined coal is entirely discretionary. If the Secretary should determine that setting a lower royalty payment would tend to distort production toward underground mining, he would have the option to maintain the higher rate. It is, however, a well-known fact that underground mining is more costly by far than surface mining, a differential which could be equalized wherever the 12.5-percent royalty should prove excessively high.

In other words, the flexibility built into the minimum royalty provisions in S. 391 allow the Secretary to encourage maximum recovery of coal while also generating a fair return to the public.

5. PUBLIC HEARINGS

S. 391 prohibits the leasing of any lands containing coal deposits unless the lands have been included in a comprehensive land use plan prepared by the Secretary. Land use planning requires consultation with State and local governments, an opportunity for public hearing on the plan, and an assessment of the amount of coal in the land, coupled with an estimate of the amount recoverable by surface and/or underground mining. Prior to leasing a tract, the Secretary must hold a hearing, separate from the land use plan hearing, on the lease in the impacted area; and he must consider the effects which issuance of the lease might have on the area as pertains to environmental disruptions, community services and the like.

The Secretary would also be required to hold a public hearing if requested by any person whose interest may be adversely affected by a proposed consolidation of leases into a logical mining unit. A fourth opportunity for public hearing occurs in the bill upon the Secretary's decision to issue a lease despite the stated opinion of the Attorney General that such lease would create a situation consistent with antitrust laws. However, there is no provision for a public hearing prior to the determination of the fair market value of the coal deposit which is about to be leased, but only a requirement that the Secretary provide opportunity for public comment thereon.

The final version of the Federal coal mining regulations issued by Secretary Kleppe on May 10 require four opportunities for public hearings—hearings on environmental impact statements can substitute in some cases. The Governors of western coal States reportedly insisted upon inclusion of these public participation clauses because of a widespread concern that local apprehensions regarding the adverse impacts of surface mining of coal might not receive proper consideration by the Secretary before, during, and after mining operations.

This concern is shared by the Congress. Secretary Kleppe's regulations are consistent with S. 391.

The Department's previous objection to the term "approval of the lease" has been dealt with by a House amendment which rephrased the public hearing provision in section 3 so that it now reads, "prior to lease sale."

6. ANTITRUST PROVISIONS

Section 15 of S. 391 adds a new subsection to section 27 of the Mineral Leas-

ing Act. It requires the Secretary to consult with the Attorney General before drafting rules and regulations, or issuing, renewing, and readjusting leases under the act, to prevent a situation that would be in contravention of the antitrust laws. This amendment is designed to reduce the chance of lengthy and costly antitrust litigation.

The Department objects to this provision as being "administratively cumbersome" and then volunteers the information that the Justice Department is "extremely reluctant to offer conclusions on antitrust questions in advance of particular activity." The Justice Department regularly advises industry about the antitrust implications of proposed actions.

The Justice Department has reportedly been concerned about the possibility of violations of antitrust laws by the coal-energy industry. This provision would allow the Attorney General to intervene before issuance of a lease by the Department whenever he finds evidence of such prospective violation. It would certainly not call for intervention in every case. Sections 27(k) and 30 of the Mineral Leasing Act presently contain antitrust language added under the Alaska Pipeline Act.

7. TRACTS RESERVED TO PUBLIC BODIES

During the 1973–74 oil shortage, many rural electric cooperatives and other such small electric producers were hard pressed to compete against the large utilities for available coal supplies. It is still difficult for many such groups to obtain adequate coal supplies for their future needs. It is therefore quite appropriate that Congress should assure access to Federal coal lands for these smaller entities, in keeping with the policy of encouraging and fostering rural electrification and the serving of areas which private industry has passed by.

S. 391 states that—

A reasonable number of leasing tracts shall be reserved and offered for lease in accordance with this section to public bodies, including Federal agencies, rural electric cooperatives or nonprofit corporations controlled by any of such entities . . .

The "reasonable number" uncertainty can be dealt with through rules and regulations of the Department, perhaps specifying that a certain set proportion of all lease sales in a given year are to be placed within this category.

8. DEFERRED BONUS PAYMENT

S. 391 would foster competition in the bidding for leases by requiring that 50 percent of all acreage leased in any one year be under a system of deferred bonus bidding. This would allow a sort of installment plan for paying the bonus, thus reducing the front-end capital outlay necessary and enabling smaller corporations to compete with the giants.

The National Coal Association is on record as favoring methods for ensuring entry into Federal coal leasing by small coal companies.

Without such a provision, it is a foregone conclusion that the field will become increasingly dominated by the largest coal companies and the multinational oil corporations with large amounts of capital available. The 50–50 split is reasonable. It will guarantee against the possibility that the Secretary, as he comes under increasing pressure to boost Federal coal production, could fail to keep in mind the disadvantageous position in which smaller companies find themselves. A diversified coal industry, which this amendment would foster, is certainly in the public interest.

9. MINING AND RECLAMATION PLANS

An operation and reclamation plan is required prior to any significant disturbance of the environment and within 3 years after issuance of the lease, under provisions of S. 391. This provision is an important means of assuring diligent development of the coal lease. If production is to occur by the 10th year, as required by the bill, then it is a matter of some urgency that the lessee begin timely development of his mining and reclamation plan so as to allow sufficient time for review, modification—if necessary—and approval by the Secretary.

10. DEPARTMENTAL REPORT

The annual report to Congress by the Secretary as required in S. 391 would include not only data regarding leasing and production of Federal coal lands, a summary of the management, supervision, and enforcement activities and recommendations to Congress for improvements in management and environmental safeguards, but would also include a report by the Attorney General on competition within the coal and energy industry, and an analysis of the effect of the antitrust laws on the industry.

Whether or not—as the Department claims—some of this information would be available in other reports is not important. Rather, it is essential that Congress have readily available to it in one report all of the information relating to Federal coal leasing and production so that Congress has access to all the relevant facts needed in carrying out its ongoing responsibility to monitor and assess the implementation of the act.

11. PRODUCTION REQUIREMENTS

S. 391 states in section 6 that "any lease which is not producing in commercial quantities at the end of 10 years shall be terminated." Under the provisions of section 3, the Secretary could not issue a new lease to any party holding such a nonproductive lease, the 10-year period to be computed from the effective date of the act.

These two provisions are meant to guarantee diligent development and an end to the speculative holding of leases. Contrary to what the Department claims, the two provisions are entirely consistent. The Secretary would simply be precluded from issuing any new lease to a party which had failed to produce coal in commercial quantities—as defined by regulations—within 10 years after the enactment of the bill. Such party would be required to divest itself of the unproductive lease before it would become eligible for a new lease.

The bill would thus make it possible for other operators to bid for the nonproductive lease and undertake to develop the lease and produce coal in keeping with the intent of the legislation. In this way, over time, the large proportion of idle leases which have been held, by the Department's own admission, for purely speculative reasons, will eventually be brought into production and royalty payments commensurate with the value of the coal will begin flowing into the public treasuries.

12. STUDY OF RECOVERY METHODS

Coal recovery by underground mining methods and by strip mining methods involves quite different impacts upon the environment, upon surrounding communities, and upon land use patterns in affected areas, and considering the new recovery methods such as in-situ gasification now being actively researched—notably by the Bureau of Mines—S. 391 would require the Secretary to evaluate and compare the effects on coal recovery by both traditional and novel mining techniques, before issuing a lease.

The Secretary would also be required to study the possible sequences of such methods which would yield the maximum recovery of the resource. This latter requirement is of great moment because many of the thick-seam, thin-overburden deposits of coal in the west are equally susceptible to surface mining and underground mining. The failure to consider the possible repercussions of one method upon the other could mean the virtual abandonment of immense amounts of the deepest coal reserves if rendered economically unattractive or overly hazardous to mine.

This requirement for a study of mining methods by the Secretary makes plain horsesense.

13. STATEWIDE LICENSE

The difference between the language of H.R. 6721—"a separate exploration license will be required for exploration in each State"—and the language preferred by the Department—"no exploration license shall cover land in more than one State"—is semantic—not substantive.

The House report on the other provisions of the bill is as follows:

ANALYSIS FROM HOUSE REPORT ON H.R. 6721 (94–681)

SECTION-BY-SECTION ANALYSIS

Section 1 designates the official citation of the Act as the "Federal Coal Leasing Amendments Act of 1975". It also clarifies the reference to the Mineral Lands Leasing Act (30 U.S.C. 181 *et seq.*) within the body of the bill.

Section 2 amends the first sentence of section 2(a) of the Mineral Lands Leasing Act (30 U.S.C. 201(a)). The first sentence of section 2(a) presently authorizes the Secretary of the Interior to divide classified or unclassified coal lands into 40 acre tracts, or multiples thereof and to lease these tracts by competitive bidding "or by such other methods as he may by general regulation adopt." This amendment removes the reference to "40 acre tracts," permits leasing of classified lands only, and requires that all leasing be by competitive bidding. It specifies that the size of a leasing tract be such that it will permit the mining of all coal which can be economically extracted. The purpose of this provision is to insure that coal, which might yield a lower profit than that which lies in the most readily available deposits, will not be left in the ground. The amendment pro-

vides that at least 50 per centum of all lands leased within any year be on the basis of a deferred bonus bidding system. A reasonable number of leasing tracts are to be set aside by the Secretary and made available for leasing only to public bodies, including Federal agencies, rural electric cooperatives or nonprofit corporations controlled by any of such entities. Finally, the amendment would prohibit the Secretary from accepting any bid for less than the fair market value of the coal subject to lease. In determining such fair market value, the Secretary shall give consideration to public comments, provided that he shall not be required to reveal either his judgment as to the value, or the comments he receives prior to issuance of a lease. The Committee felt that this information should be available for public scrutiny after leasing of the tract in question occurs.

Section 3 amends the last sentence of section 2(a) of the Mineral Lands Leasing Act (30 U.S.C. 201(a)). This sentence requires the Secretary to issue notices prior to a competitive lease sale. This amendment would bar the issuance of new leases to any individual or corporations that have held a lease for a period of 15 years, beginning on the date of enactment of the Federal Coal Leasing Amendments Act of 1975, without producing coal therefrom. It would require that no lease sale be held unless it were compatible with a comprehensive land use plan prepared by the Secretary or, in the case of lands in the National Forest System, by the Secretary of Agriculture. On lands where the surface is under the jurisdiction of a Federal agency other than the Department of the Interior, leasing may occur only with the consent of that agency.

Where the Federal interest in the lands or coal deposits is nominal, either a comprehensive land use plan prepared by the State in which the lease is to be offered, or a land use analysis prepared by the Secretary would be required. In the latter instance, a land use analysis, prepared in the case of a minor Federal interest in the lands or coal deposits, need not be detailed as the comprehensive land use plan which is required in all other instances.

In preparation of the land use plan, consultation with State and local entities is mandated and an opportunity for a public hearing must be granted if requested by a person having an interest which is or may be adversely affected. In addition, prior to issuance of any lease, the Secretary is to consider the social, economic and other impacts on the communities affected and give opportunity for a public hearing.

Each land use plan is to contain an assessment of the amount of coal deposits in the land, including underground and surface recoverable reserves. The Secretary is also required to evaluate and compare the effects of recovering coal by underground mining, surface mining and by other methods to determine which methods will assure maximum economic recovery of the coal. No mining plan may be approved which is not found to achieve the maximum economic recovery of coal and no competitive lease shall be approved until notice has been given in a local newspaper.

All coal leases shall contain provisions requiring compliance with the Federal Water Pollution Control Act (33 U.S.C. 1151–1175) and the Clean Air Act (42 U.S.C. 1857 et seq.).

Section 4 would repeal, subject to valid existing rights, section 2(b) of the Mineral Lands Leasing Act (30 U.S.C. 201(b)) which authorizes the issuance of coal prospecting permits and preference right leases.

Under present law, section 2(b) provides that prospecting or exploratory work may be permitted to determine the existence and workability of coal deposits and the Secretary is authorized to issue prospecting permits which entitled the permittee to the exclusive right to prospect for coal on the land described therein for a term of two years. A holder of a coal prospecting permit who shows, before the expiration of his permit, that the land included in the permit contains coal in commercial quantities, is entitled to a preference right lease for all or part of the land included in the prospecting permit.

In repealing present section 2(b), H.R. 6721 would replace it with a system of nonexclusive exploratory licenses. Such exploratory licenses would be for periods of not more than two years and would carry no preferential right to a lease if H.R. 6721 is enacted in its present form. An application for an exploration license is required to identify the general areas and probable methods of exploration and the Secretary is authorized to impose such conditions as he deems reasonable before issuing a license. Where the surface is under the jurisdiction of a Federal agency other than the Department of the Interior, exploration licenses may be issued only under the conditions prescribed by such agency. Furthermore, when the exploration area involves more than one State, separate licenses are required for each of the States so involved. In no event may a licensee be permitted to cause substantial disturbance to the natural land surface in conducting his exploration operations.

All data collected by the licensee is to be furnished to the Secretary, who shall maintain the confidentiality of the data until the lands in question are leased or until the Secretary determines that making the data available to the public would not damage the competitive position of the licensee.

Any person who willfully conducts exploration without a license is subject to a fine of $1,000/day and the surrender of all data collected to the Secretary, which data is to be made public.

Section 5 repeals, subject to valid existing rights, subsections 2(c) and 2(d) of the Act of August 31, 1964 (30 U.S.C. 201–1). These subsections permitted lessees of a coalfield to enter into contracts for collective prospecting, development or operation of the coal resources. They also enabled the Secretary to combine, alter, or revoke leases, royalty agreements and the like in furtherance of collective contracts.

This new language eliminates collective contracts in favor of the concept of the logical mining unit (LMU). A logical mining unit is a contiguous track of land, under the control of a single operator, which is designed to promote the "efficient, economical and orderly" recovery of the resources contained therein. The new language enables the consolidation by the Secretary of several tracks (be they Federal, State or private) into a single tract not exceeding 25,000 acres so that they may be mined in the most economically efficient manner. All the reserves within the entire LMU must be mined in a period not to exceed forty years, and the unit as a whole is subject to the requirements of diligent development and continuous operation. The new language also permits the Secretary to require a lessee to form an LMU.

Section 6 amends section 7 (30 U.S.C. 207) of the Mineral Lands Leasing Act which deals with the terms of leases and lease rentals and royalties.

First, it provides that leases shall be for terms of 20 years and for so long thereafter as coal is being produced in commercial quantities. Any lease not producing in commercial quantities at the end of the 15th year of the lease will be terminated. The existing law provides that leases "shall be for indeterminate periods upon condition of diligent development."

Second, the revised language changes the minimum royalty from $.05 per ton to twelve and one half per centum of the value of the coal, except that the Secretary may determine a lesser amount for underground mining operations.

Third, H.R. 6721 provides for a readjustment in the terms of the lease at the end of the 20th year and every ten years thereafter instead of a readjustment every 20 years as provided in the present law.

Fourth, leases remain (as they are under existing law) subject to the conditions of diligent development and continued operation, except where interrupted by strikes, elements or casualties not attributable to the lessee.

Fifth, H.R. 6721 permits the Secretary to waive the requirement for continued operation for a period not to exceed 15 years and accept in lieu thereof an advanced royalty. Advanced royalties must be no less per year than production royalties that would otherwise be paid for actual production, and will be computed on a fixed reserve to production ratio. Should the value of the coal mined in the year of actual production exceed the value upon which the advanced royalty was based, the difference shall be paid by the operator. However, should the advance royalty exceed the production royalty, no rebates will be granted, but the credit may be carried forward. In no case can advanced royalty payments be used to waive the absolute requirement of production from a lease within 15 years. While existing law permits in lieu royalty payments and provides that they shall not be less than the annual rental paid, it does not make reference to a fixed reserve to production ratio. Where the surface is under the control of another agency, such agency must consent to the plan.

Finally, the section eliminates a provision of current law which permits the credit of rentals against royalties; and it eliminates the provision permitting the suspension of operations of six months when, in the judgment of the Secretary, market conditions warrant such suspension.

Section 7 adds a new section 8A to the Mineral Lands Leasing Act which provides for a comprehensive Federal exploration program for lands to be offered for leasing. Under it, the U.S. Geological Survey is authorized to conduct or to contract for exploration activities, including seismic, geophysical, geochemical, or stratigraphic drilling, but it does not limit the right of any party to carry out such activities under Section 4 of H.R. 6721.

All data, maps, interpretations and surveys resulting from activities under this section are required to be made public by the Secretary. All Federal departments and agencies are directed to cooperate in providing the Secretary with pertinent information.

On the basis of the information so collected, the Secretary is to prepare and maintain a series of detailed geological and geophysical maps of the coal lands to be offered for leasing under the terms of this legislation.

Pursuant to this section, the Secretary is directed to develop and transmit to Congress within six months after enactment, a plan for implementation of the exploration program, including procedures for making the data available to the public.

Stratigraphic drilling must be carried out so or in such a manner that information pertaining to all recoverable reserves is obtained. All information regarding results of test borings is to be supplied to the Secretary. The purpose of this requirement is to assure that lands are not leased for surface mining development when greater amounts of coal could be recovered through deep mining operations.

Section 8 adds a new section 8B to the Mineral Lands Leasing Act, requiring the Secretary to submit an annual report to Congress on leasing and production of coal lands subject to the Act. The report is to include

information on management, supervision, and enforcement activities and recommendations for improvements in management and environmental safeguards, as well as a report by the Attorney General on competition in the coal and energy industries, including an analysis of whether the antitrust laws are effective in preserving or promoting competition in the coal or energy industry.

Section 9 amends Section 35 (30 U.S.C. 191) of the Mineral Lands Leasing Act by reducing the percentage of revenues from mineral leasing deposited in the reclamation fund from 52.5% to 40% and raising the percentage of the revenues going to the States from 37.5% to 50%. The 37.5% of the funds which is currently returned to the States under the law would remain available only for use in construction and maintenance of schools and roads. The additional 12.5% returned to the States would be available for use in planning, construction and maintenance of public facilities, with priority to be given to those areas impacted by the development of the resource involved.

Subsection (b) would further amend Section 35 of the Mineral Lands Leasing Act by providing that all moneys received from Geothermal leasing under the Geothermal Steam Act of 1970 be disposed of under the above provisions of Section 35. Existing law treats such moneys as if they were received from the sale of public lands, with about five percent going to the States and the reminder dispersed in the same manner as other receipts from public lands.

Section 10 provides for a study by the Office of Technology Assessment which is to include a review of existing Federal coal leases and recommendations as to the feasibility of using deep mining technology in such lease areas.

Section 11 amends Section 27(a)(1) of the Mineral Lands Leasing Act (30 U.S.C. 184(a)(1)) to provide that no corporation, person or association may control more than 100,000 acres of Federal coal lands in the United States at any one time. The 100,000 national acreage limitation is added to any existing limit of 46,080 acres per State. Subsection (a)(2) which presently permits the Secretary to lease an additional 5,120 acres over and above any acreage restrictions contained in subsection (a)(1) is repealed.

This amendment to Section 27 of the Mineral Lands Leasing Act also has the effect of broadening the definition of the entity to which the acreage limits are applicable. Under existing law, reference is made to "person, association or corporation". The amendment language reads: "person, association, or corporation, or any subsidiary, affiliate, or persons controlled by or under common control with each person, association, or corporation". The purpose of broadening this language is to assure that the restrictions on leaseholdings are not circumvented by the formation of holding companies, or other devices of corporate organization. Henceforth, no one entity, under whatever corporate or other form, will be permitted to take, hold, own or control coal leases on more than 100,000 acres in the United States or more than 46,080 acres in any one State if H.R. 6721 is enacted.

Section 12 amends section 3 of the Mineral Leasing Act for Acquired Lands (30 U.S.C. 352) by providing that coal in lands set aside for military or naval purposes may be leased to a governmental entity if the Secretary of Defense agrees to such leasing.

Section 13 repeals, subject to valid existing rights, Section 4 (30 U.S.C. 204) which presently permits the Secretary to issue a new lease, not to exceed 2,560 acres, through the same procedure as used in the original lease, where coal deposits under the existing lease will be exhausted within three years. In addition, it amends section 3 to allow modification of existing leases, not to exceed 2,560 acres, to include contiguous coal deposits. Under the recommended amendment this practice may continue, but the size of such modification would be limited to 160 acres or an acreage no greater than the original lease.

Section 14 amends Section 39 of the Mineral Lands Leasing Act (30 U.S.C. 209) to insure that nothing in Section 39 can be construed as giving the Secretary the right to waive, suspend or reduce the advance royalties payable upon suspension of the normal requirement of continued operation.

Section 15 adds a new subsection to Section 27 of the Mineral Lands Leasing Act. It requires the Secretary to consult with the Attorney General before drafting rules and regulations, or issuing, renewing and readjusting leases under the Act to prevent a situation that would be in contravention of the antitrust laws. This amendment is designed to reduce the chance of lengthy and costly antitrust litigation.

A summary of all the differences between the House and Senate bill is as follows:

MAJOR DIFFERENCES BETWEEN SENATE AND HOUSE VERSIONS OF S. 391, FEDERAL COAL LEASING AMENDMENTS ACT

1. Development of Lease. House provides that any lease which is not producing in commercial quantities at the end of ten years from the issuance of the lease shall be terminated. Senate allows seven years for development of the lease, except for an extension of time for good cause by the Secretary of the Interior.

2. Logical Mining Unit. House places a limit of 25,000 acres on both Federal and non-Federal lands within allowable logical mining unit. Senate has no limit.

3. Amount of Royalty. House sets the royalty rate at no less than 12½% of the value of the coal, except for royalties on coal produced by underground mining, which may be set at a lesser rate. Senate sets royalty at not less than 5%.

4. Exploration. House authorizes the Secretary to conduct exploratory activity to evaluate the extent, location and potential for developing known coal resources on Federal lands. Senate has no comparable provision but assumes continuation of existing program.

5. Revenue Sharing with States. House increases from 37½% to 50% the proportion of revenues going to States from mineral leasing by the Federal Government, with the additional 12½% earmarked for public facility construction and maintenance, plus an extra 12% of the revenues accumulating under the Geothermal Steam Act to be available to States for the same purpose. Senate would increase the States' share of Mineral Leasing Act moneys from 37½% to 60%, the additional 22½% to be used for public facilities. No provisions affecting the Geothermal Steam Act revenues.

6. Diligent Development. House requires that all coal reserves within a logical mining unit must be produced within a period of no more than 40 years. Senate has no comparable provision.

7. National Forest Lands. House provides that the governor of any State where coal within a National Forest will be leased, must be allowed an opportunity to comment before the Secretary may lease the coal. Senate has no comparable provision.

8. Mining Impacts Assessment. House obligates the Secretary to consider comparison of different mining methods and the effects upon impacted communities and environment before issuing a coal lease. Senate has no such requirement.

9. Antitrust Laws. House calls for consultation with the Attorney General as to the possible violations of antitrust laws prior to issuing a coal lease. Senate has no such provision.

10. Leasing Program. House does not require the Secretary to prepare and maintain a Federal coal leasing program, as is the case in Senate version.

11. Leases to Railroads. House does not delete the provision in the Mineral Leasing Act which prohibits issuance of coal leases to a railroad except for railroad purposes. Senate does.

I ask unanimous consent that Secretary Kleppe's letter be printed at this point in the RECORD:

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

U.S. DEPARTMENT OF THE INTERIOR,
Washington, D.C., January 19, 1976.

Hon. JAMES A. HALEY,
Chairman, Committee on Interior and Insular Affairs, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: I would like to inform you of this Department's views concerning H.R. 6721, proposed coal mining legislation, which has recently been reported out of the Interior and Insular Affairs Committee.

The Department has taken a very active interest in this legislation in its progress through the Mines and Mining Subcommittee and the full House Interior and Insular Affairs Committee. We have worked very closely with the members and staff and with the Subcommittee Chairperson, Ms. Mink. Her attention to and consideration of our views and her cooperation in presenting the issues fairly has been greatly appreciated.

As you may be aware, we believe the Department presently has adequate authority to fully implement our coal development program, however, we are in general agreement with the basic thrust of H.R. 6721 to provide policy direction in coal leasing. In assessing the impact of the bill as reported, we are concerned that there are a number of provisions in H.R. 6721, as amended, which we feel would have a seriously adverse effect on our coal program. We urge that appropriate amendments be accepted during consideration of H.R. 6721 on the House floor so that we might fully support enactment of this legislation. Without these amendments, however, the Administration opposes enactment of the bill.

The provisions of greatest concern are:

1. Payment to States.

H.R. 6721, as amended, would provide an additional 12½ per centum of the revenues to the States. We strongly object to increasing the States' share of mineral leasing receipts and dealing substantively with the Geothermal Steam Act of 1970 in this bill. This change represents a 33⅓ percent increase in payments to States. In fiscal year 1976 this would amount to an increase from $126 million to $168 million. Payments determined by an arbitrary formula will likely bear no relationship either in amount or timing to problems of social and economic impacts generated by energy development of Federal lands.

In addition, we view the restrictions in section 35 of the Act as no longer necessary. The Department has strongly endorsed the repeal of the restrictions on State use of its share of funds from all mineral leasing activities and has objected to previous proposals which were unnecessarily restrictive. We therefore recommend that they be repealed from section 35 of the Act. This Amendment would give States complete discretion as to their expenditure of coal and other mineral leasing recepits from Federal lands.

2. 12½% Royalty.

H.R. 6721, as amended, would require that a royalty of not less than 12½% be charged to Federal coal lessees.

We strongly object to this provision. We do

not believe that royalties should be set by legislation which are at or near the historic highs. The current ceiling should not become the floor. Twelve and a half per centum royalty could prevent production from vast acreages of Federal coal lands. We recommend a more realistic rate, such as the 5 per centum presently specified in S. 391. This would allow us the flexibility to set royalties at or above that level as circumstances warrant.

We are also opposed to providing lower royalties for underground mining which would tend to distort production toward that mining method with its lower recovery factors and greater safety hazards.

3. Federal Exploration Program.

H.R. 6721, as amended, would direct the Secretary to conduct a comprehensive exploratory program to obtain sufficient data and information of the extent, location, and potential for developing the known recoverable coal resources within the coal lands subject to this Act.

The Department is strongly opposed to such a program.

We do not believe the Federal Government should be involved in the exploratory phase of coal development. The Department has carefully considered this issue, and we have concluded that the claimed benefits are either small, as in the case of better information, or they may be obtained without resorting to Government exploration, as in the case of increased public control over development. We believe Government exploration would entail large costs with little benefit in terms of federal revenues and the probability of significant delays in discovering coal and in developing coal.

4. Public Hearings.

H.R. 6721, as amended, could require at least four separate public hearings: one on a land use plan; another either before a lease is issued or before approval; another on the formation of a logical mining unit (hereafter referred to as an LMU) and, finally, one prior to determining the fair market value of coal.

The Department agrees with the objective of providing adequate opportunity for public participation in the significant phases of the leasing program. We object strongly, however, to provisions which serve only to retard implementation of a coal leasing program and which may invite endless litigation. We believe four potential hearings on one coal lease are excessive.

We believe that one public hearing before approval of a land use plan would be appropriate. Such a hearing would not lead to unwarranted delays and would provide a thorough public review of the most important issues.

Particularly objectionable, however, are requirements for a hearing before the approval of the lease (it is unclear what time or point of the process is meant by "approval" of the lease, a matter which could result in much unnecessary court cost and delay) and before a determination of fair market value of the coal (Regardless of great administrative difficulty inherent in such a process, we are not sure that the public generally is in a position to evaluate fair market value of coal). No useful purpose appears to be served by these provisions in the bill.

The Department (particularly BLM) manuals require a series of public meetings during various stages of the land use plannings process, and before a land use plan is adopted public hearings would have been held.

Also, in preparing an Environmental Analysis Report, BLM instructions (Manual 1791) call for consultations with public and public hearings may be held.

And additionally, we note that an environmental analysis is done on all leases. If the conclusion of that analysis is that major Federal action is involved an EIS pursuant to subsection 102(c) of the National Environmental Policy Act of 1969 is prepared. The EIS process requires public hearings under subsection 101(a).

5. Anti-Trust Provision.

We strongly object to the provision in H.R. 6721, as amended, which would require the Secretary to submit all decisions on the issuance, renewal, readjustment, or modification of coal leases to the Attorney General for his assessment of possible violation of the antitrust laws. This is administratively cumbersome and the Department of Justice is extremely reluctant to offer conclusions on antitrust questions in advance of a particular activity. This would only serve as an additional impediment to coal leasing.

It should be noted that acreage limitations, both statewide and national were added to the bill to accomplish antitrust purposes.

6. Acreage Limitation for Logical Mining Units.

H.R. 6721, as amended, would, as we read it, limit the size of any one logical mining unit to 25,000 acres.

We oppose this restriction.

A logical mining unit of 25,000 acres would in some cases arbitrarily restrict the size of an LMU by acreage, rather than by the configuration of the coal deposit. As a result, in some instances it would raise the cost of coal production and lead to non-development of economically valuable coal.

The 25,000 acres is an artificial restriction which will require, in some cases, multiple discrete mines where one large mine is most economic. Surface mining is highly capital intensive and subject to major economies of scale. Restricting mines to 25,000 acres will prevent the full economies of scale from being realized, and in some instances, prevent realization of the full value of equipment utilized. It will thus lead to unnecessarily high costs of production for coal. The higher costs of production will mean that coal which would, without the restriction, be economic to mine will not be economic to mine. This will lead to non-development of some socially valuable deposits and early abandonment of others.

Additionally, it should be pointed out that H.R. 6721, as amended, already contains provisions for both State and National acreage limitations. These general limitations appear to have been placed in the bill to accomplish the same purpose as the logical mining unit restrictions. Because of such duplication and apparent inconsistency, confusion in interpretation, administration, and record keeping could result.

7. Tracts Reserved to Public Bodies.

We object to the provision in H.R. 6721, as amended, which would reserve a "reasonable number" of leases for public bodies, including Federal agencies. We recommend against this provision because it discriminates in favor of public bodies which can, under existing authority, receive a license from the Secretary to mine coal (30 U.S.C. 208). Considerable difficulty will be encountered in defining "a reasonable number."

Also, we see no basis for issuing leases to other Federal agencies or their entities.

8. Deferred Bonus Payments.

H.R. 6721, as amended, would require that no less than 50 per centum of the total acreage offered for lease by the Secretary in any one year shall be leased under a system of deferred bonus payment. The Secretary presently has the authority to lease under a deferred bonus scheme. We object to legislative specification of how he should exercise that discretion and we find no basis for concluding that it is in the public interest to offer 50 percent of the total acreage under a deferred bonus payment.

9. Mining and Reclamation Plans.

After careful analysis, we have concluded that the requirement in H.R. 6721, as amended, that a lessee submit an "operation and reclamation" plan by the third lease year is impractical. This schedule will not allow a lessee, in many cases, sufficient time to market the coal. We believe that there is no need for this provision since the lessee must begin producing coal by the 15th lease year and such production cannot begin until a mining plan is approved. Therefore, we recommend deletion of the phrase "and not later than 3 years after the lease is issued."

10. Departmental Report.

We believe this provision is unnecessary and duplicative. Information which is to be included in the annual report required by H.R. 6721, as amended, is already contained and publicly available in two annual Departmental publications: Public Land Statistics, and Federal and Indian Lands, Coal, Phosphate, Potash, Sodium, and Other Mineral Production, Royalty Income, and Related Statistics.

11. Production Requirements.

H.R. 6721, as amended, would require production on a lease within 15 years or the Secretary would be prevented from issuing additional leases to the leaseholder. However, the bill also would require termination at the end of 15 years of any lease which is not in production. We believe these approaches to be inconsistent. Once a lease is terminated for failure to produce within the 15-year period presumably a former lessee could make a valid bid on a new lease offering. We believe that the correct approach should be to require that nonproducing leases be subject to cancellation after 15 years. This would also give the Secretary the authority to cancel leases that become inactive after 15 years.

12. Study of Recovery Methods.

We believe a study of recovery methods is unnecessary and we would like this provision deleted. There are only two methods currently used to mine coal: surface and underground mining. Since the method used is largely a function of economic decision making on the part of the developer and since there is already authority to evaluate the operation and reclamation plans to insure environmental and personal safety, we believe such studies would be unnecessary.

13. Statewide License.

The sentence in section 4 which would amend section 2(b) of the Mineral Leasing Act to read, inter alia, "A separate exploration license will be required for exploration in each State.", should be deleted and replaced by "No exploration license shall cover land in more than one State."

As presently drafted this section is unclear as to the geographical parameters of the exploration licenses. We believe the proposed language will clarify this problem and be a more practical solution.

I would welcome the opportunity to discuss this further with you, and, look forward to working with you and the other members of the Interior and Insular Affairs Committee in discharging our responsibilities regarding the Nation's lands and natural resources, a key task among this Nation's priorities and one which will be increasingly important as we develop more of our domestic energy resources.

The Office of Management and Budget has advised that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely yours,

TOM KLEPPE,
Secretary of the Interior.

Mr. METCALF. Mr. President, this is our last chance to get coal mining legislation enacted in this Congress. This is 95 percent of the bill recommended by the administration. There is unanimity for much of this legislation. For the balance a sizable majority of both Houses has agreed. I would hope that we could be able to salvage this small amount of coal

mining regulation for the benefit of the people of America in this Congress.

Mr. McGEE. Mr. President, the time has arrived, in fact the time is overdue to realistically face up to our responsibilities in the development of coal reserves for this Nation and to what is happening in the West where lies the sustenance for the American energy appetite.

The absence of Federal reclamation policy has not stopped the clock and Senators HANSEN and METCALF, Interior Committee stalwarts, and I ask today that we pave the way to establishment of a stronger Coal Leasing Act, one which deals with the many ramifications of mining Federal coal in a few concentrated areas to supply the rest of the country. Not the least of the issues we must face are those dealing with the effects of our decisions upon the areas to be mined and how the citizens and the economies of these areas can reap a fair return for their sacrifices. We must minimize those sacrifices.

My special praise today to Senator METCALF for moving ahead with these coal leasing amendments and his leadership on the bill we consider today. I rise in support of the amendments and join with Senator HANSEN today in speaking of the importance of a fair return to the public through an increase in the anual mineral royalty payments to public land States.

When we last discussed increasing these royalties under S. 391, attempts were made to subvert the obvious: Coal production in the United States is not a geographical problem; it is a national problem. It is, therefore, mandatory the Congress and the administration drop some contentions that impact is a local problem created by coal leasing problems on State lands and further festered by the moratorium on Federal coal leasing.

The case has already been made for areas producing large amounts of oil and gas. The case has been made so many times for large population centers which receive a large amount of Federal consideration. There are perhaps some financial jealousies in "coal free" areas or areas with little or no Federal acreage, or from communities that have never nor will ever experience a doubling of populations in a brief 5-year period or suffer the resultant impacts.

Well, there is nothing to be jealous of here; the fact the Western States have these resources poses special problems. Mr. President, I concede my support for increased mineral royalties is of special interest to Wyoming, but it is more toward my belief that a preamble to any domestic energy policy should recognize that while some areas of the country are called upon to sow for others to reap, that policy should underscore such a relationship as only another example of the cooperative partnership of all the States in American goals.

During debate on S. 391 last year, my colleague Senator HANSEN put it so well:

(The bill) is not a ripoff. It is a very long overdue recognition of what is needed to be done in order that the people of the West, where these mineral resources are being developed, can take care of places like Little Rock, Arkansas. It is so people can be cared for, so there will be some decent sewage plants and adequate sewage facilities, good water, and maybe a hospital or two which we now do not have in sufficient supply at all.

These are the kinds of problems we are talking about, and I hope very much that our colleagues in recognizing the problem here, will give a little attention to the problems of the West.

Let me add that the Federal Government has drawn up an energy mission and the West must carry it out, therefore, the good life of the energy soldiers must be protected.

In its report on H.R. 6721, the House Committee on Interior and Insular Affairs said in a needs section that,

At the current rate of production, the U.S. has sufficient coal reserves to last about 725 years. As technologies improve, the cost of fuel rises and further knowledge is gained with respect to our coal resources, an even greater portion of our coal resources will become available as recoverable reserves.

Since coal represents some 88 percent of our total domestic recoverable hydrocarbon reserves, it is clear that it is likely to prove a major energy source in the near term.

Here, Mr. President, we see the role of coal in our future. Now let us get to the role of Federal coal, again quoting from the House report.

It is estimated that the Federal Government owns 50% of the total coal reserves in the nation. In the Western States this figure approached 60% and because of ownership patterns, Federal leasing policy may affect over 80% of all known reserves.

Of over 203 billion tons of coal in place in Colorado, Montana, New Mexico, North Dakota, Utah, and Wyoming, over half these reserves are in Montana and another 25 percent in Wyoming.

In Montana, 41 percent of the coal bearing lands are federally owned and in Wyoming, 50 percent of these lands are federally owned. These high percentages, Mr. President, do not take into account the Federal ownership of minerals under private acreage, thus the Federal role is even greater. The House report states:

The overwhelming majority of these (533 active Federal coal) leases lie in the Western United States.

What have the people of the Western States received in the past for their coal reserves—a "pittance," says a GAO study. Even before we faced a tremendous resurgence in the need for coal, the payments to public land States were woefully inadequate. Now we are asked again to modernize and equalize these payments but this time when the demand for coal is projected to increase almost threefold.

At this point, Mr. President, I ask unanimous consent that two sections of the House Report—"Fair Return to the Public" and "Social and Economic Impacts"—be inserted here.

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

FAIR RETURN TO THE PUBLIC

Several aspects of the current law have contributed to a situation in which the public is being paid a pittance for its coal resources. The first such provision is that which establishes a prospecting system for lands in which the resource is not known to the Department of the Interior. Such permits are issued for specific plots of land and carry with them the right of a "preference lease". That is, if a holder of a prospecting permit demonstrates the existence of coal in commercial quantities in the permit area, he is entitled to a preference right lease. No competitive sale is held and the lessee is subject only to the minimum royalty and rental provisions of Section 7 of the Mineral Leasing Act of 1920, or such other rates of royalty and rental as the Secretary may determine.

Additionally, although more than 50 percent of all leases have been offered for competitive bid, 72 percent of these "competitive" sales had less than two bidders, not really reflective of a competitive environment. Since the bid is related to the number of bidders, those tracts which attract only one bid are not likely to result in payment of a fair return to the public. (See Table.)

TABLE—NUMBER OF COMPETITORS AND AVERAGE BID, FEDERAL COAL LEASES

Number of bidders	Number of such leases	Average bid per acre
0	25	$0.08
1	145	3.31
2	37	36.43
3	14	25.61
4 or more	15	112.18
Total	[1] 236	16.90

[1] For the other 11 competitive leases information is not available for a listing.

Source: "Leased and Lost: A Study of Public and Indian Coal Leasing in the West;" Council on Economic Priorities.

The fact that the minimum royalty and rental established in the law (royalty-5 cents/ton; rental-$.25/acre-1st yr, $.50/acre for the 2nd to 5th years and $1.00/acre thereafter) also contributes to the lack of fair return to the public. According to the Council on Economic Priorities, the Federal government has collected a total of $23,373,920 in royalty payments in the last 54 years, from a total production of 189,099,653 tons of coal. This total represents an average royalty of 12.5¢ per ton. The study points out that although royalty rates have increased 75 percent in the last half century, the price of a ton of coal has more than doubled. Thus, the actual royalty being paid is a smaller percentage of the value of the coal now than it was in 1920.

The 1972 GAO study on coal leasing policy concludes: "We believe that royalty payments have not been established on a fair basis."

The GAO report goes on to recommend that the Secretary of the Interior initiate a study to determine the desirability of seeking a change in the law that would permit the adjustment of royalty rates and other lease terms more frequently than at 20-year intervals.

A fourth factor affecting the amount received by the Government for sale of its coal resource may result from basing the determination of the payment on an estimate as to extent and value of the coal by the U.S. Geological Survey. These estimates are not always correct and the extent to which the estimate varies from the actual coal produced often results in an unrealistic return to the public.

H.R. 6721 contains many provisions designed to insure a fair return to the public from Federal leases. First, all leases are to be awarded by competitive bidding only and not by "such other methods as he (the Secretary) may by regulations adopt" as in the present law. Second, a bid is not acceptable

unless it is at least as high as fair market value, as determined by the Secretary. Third, a minimum royalty of 12.5 percent of the value of the coal is placed on all new leases except for underground mines. Fourth, readjustment of the terms of the lease will occur every ten years to allow the Secretary to adjust the terms to more closely reflect changing market conditions than the present 20-year readjustment period permits. Finally, preference right leases for holders of prospecting permits are abolished. Henceforth, holders of prospecting permits must complete with all other interested parties in bidding on a leasing tract, their sole advantage being that any data they may have obtained on a tract up for lease shall be held confidential by the Secretary until after the lease sale.

SOCIAL AND ECONOMIC IMPACTS

The current restrictions on the manner in which monies return to the States from the sale of Federal leases within their borders are onerous. When an area is newly opened to large scale mining, local governmental, entities must assume the responsibility of providing public services needed for new communities, including schools, roads, hospitals, sewers, police protection, and other public facilities, as well as adequate local planning for the development of the community. Since Section 35 of the Mineral Leasing Act of 1920 currently provides that the monies returned to the states be available only for schools and roads, it is difficult for affected areas to meet the needs of their new inhabitants. This situation exists both with respect to coal and geothermal development, as well as other mineral resources.

For example, the Council on Economic Priorities report states:

"The sudden jump in population growth, the emergence of urban centers, and the possible "boom-bust" economic cycle will cause many social and cultural changes. The Bureau of Reclamation predicts that coal development in the Northern Great Plains could result in "the sevenfold increase in the present population." Because 200,000 and 400,000 people are expected to migrate into eastern Montana."

An effort must be made to alleviate these problems by making funds available for the various aspects of community development.

As shown below, H.R. 6721 will add 12.5 percent of the moneys received under section 35 of the Mineral Lands Leasing Act to the 37.5 percent share currently returned to the states.

[In percent]

	Existing law	*H.R. 6721*
Reclamation fund	52½	40
States	[1] 37½	[2] 50
General Treasury	10	10

[1] All earmarked for schools and roads.

[2] 37½ percent of which is earmarked for schools and roads.

The additional 12½ percent that will go to the states is not earmarked for schools and roads, and may be spent by the states for planning, public facilities and public services, giving priority to those communities impacted by the mineral development. The remaining 37½ percent of the states' 50 percent share continues to be earmarked for schools and roads under existing law. H.R. 6721 would increase total receipts under section 35 of the Mineral Lands Leasing Act by adding thereto revenues from the Geothermal Steam Act of 1970. At present, geothermal receipts are treated as if received from the sale of public lands (only 5% are returned to the states).

Mr. McGEE. Our mineral royalty returns to public land States are out of date; we must not only recognize the normal increased needs of education and road building in the public land States, but more importantly, provide the funds needed as "front money" to deal with the impact of coal development—to provide those sewage plants and hospitals and to maintain the good life in the West. The bill's provision for increased royalty payments would soften these impacts; without the increases, we stand the chance of falling too far behind.

The Interior Department has issued its coal leasing regulations with regard for full cooperation with the coal producing States. The time has come that the Congress follow suit in a spirit of recognizing the West's paramount role in our energy future, that mineral royalty payments at present deny that recognition, and that an energy partnership is at hand today.

On behalf of the Western States and the Nation, I ask for approval of the Coal Leasing Act Amendments of 1975 and thus a signing of a national compact toward a realistic domestic coal program. The time has arrived.

Mr. METCALF. Mr. President, I move that the Senate concur in the House amendment.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to.

Mr. METCALF. Mr. President, I move to reconsider the vote by which the Senate concurred in the House amendment.

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

The motion to lay on the table was agreed to.

TAX REFORM ACT OF 1976

The Senate continued with the consideration of the bill (H.R. 10612) to reform the tax laws of the United States.

Mr. LONG. Mr. President, I ask unanimous consent that those persons who were permitted to have the privilege of the floor when the Senate was in session on Friday be permitted to have the privilege of the floor today.

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

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

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

Mr. BENTSEN. Mr. President, I oppose this amendment.

Mr. President, it is a responsibility of the Budget Committee to set and determine the net tax increase or the net tax decrease that should be legislated for each fiscal year. That is the limit of its authority with respect to tax legislation. When it goes beyond determining the overall limit and starts to determine the appropriate mix of tax deductions and tax increases, it has exceeded its authority. If it can deal with specificity and detail as to which taxes should be raised and which taxes should be lowered, then it has taken over the responsibilities of the Senate Finance Committee. That is the crucial factor in this debate. It is a question of jurisdiction. It is a question of the authority of the Finance Committee and the Budget Committee. Either they each are going to continue to fill an important role in this Congress or the Budget Committee will have taken over the responsibilities of the Finance Committee. A letter which was signed by the distinguished Senator from Maine and the Senator from Oklahoma states that the congressional budget is based upon the assumption of an aggregate tax reduction of $17.3 billion and a tax increase of $2 billion. This is not in the budget resolution.

The resolution itself ony talks about the net decrease in tax revenues and that figure is $15.3 billion. The Senate Finance Committee has complied with this target and it must be remembered that the May 15 resolution is just that; a target. The September 15 resolution is the binding mandate and the Congress cannot consider any legislation in violation of the second resolution. A point of order can be raised for a violation. The question to be resolved in this debate is one that will extend far beyond the authority of just the Finance Committee. It directly affects the Appropriations Committee and, ultimately, every other authorizing committee in the U.S. Senate. Should the Budget Committee prevail in its point of view that it has the right to tell the Finance Committee not just what the overall tax increase or decrease should be but also the net increases and decreases in specific areas, then we ought to recommit this bill.

But we should not recommit this bill to the Senate Finance Committee. We ought to recommit it to the Budget Committee and let them write the tax bill. The fact that those of us on the Finance Committee spent months of hearings and extended markup sessions and have listened to a great number of witnesses from across the economic and political spectrum will all have been for naught.

It will then be the responsibility of the Budget Committee to reschedule hearings and themselves make those determinations.

Mr. President, nobody questions the responsibility of the Senate Budget Committee to establish an overall figure on Federal revenues and expenditures. I was one of the original sponsors of budget reform legislation. I firmly believe that this new budget procedure is essential for Congress to exercise fiscal responsibility, but if the Budget Committee prevails in this extension of its powers to what will ultimately result in denying any useful role for the Finance Committee or the Appropriations Committee and, finally, all other committees, then the Budget Committee in turn will have sown the seeds for the failure of the new Budget Reform Act.

The Finance Committee has the responsibility to determine the most appropriate mix of specific tax reductions and tax increases to achieve our Nation's economic objectives. It is the right

of and the privilege of every Member of this Senate to disagree on any one of those specific tax reductions or tax increases and to propose his amendment to change it, but not under the guise that this violates some mandate from the Budget Committee. Let us not confuse these issues. What we are basically dealing with here is the jurisdiction of the committees of the Senate and, in particular, that of the Budget Committee; what the majority of us in the Congress had meant to be its objective.

The Finance Committee must carefully review the economic impact of its tax decisions on such crucial sectors of our economy as housing, agriculture, business and labor. These decisions will have an important impact on the availability and cost of new housing for potential homeowners across our Nation, the availability and cost of food for every American housewife and the adequacy of investment capital for economic growth.

Modifications of our estate taxes, for example, are essential to insure the survival of family farms and ranches and small business. Estate tax changes are needed to maintain healthy competition in the agriculture and business sectors of our economy.

The only way we can effectively achieve our economic objectives is through a careful analysis of alternative tax approaches. The minds of members of the Finance Committee on specific tax approaches have been changed from time to time through the lengthy studies and hearings. What has been presented to the Senate in this tax bill is the result of this long and detailed process.

The Senate Finance Committee decided to permanently liberalize the standard deduction and low income allowance. However, the Finance Committee decided to extend the $35 individual tax credit until June 30, 1977. Some of my colleagues in the Senate are arguing that this temporary credit should be extended another 3 months, perhaps even longer. However, that is a decision that should be put off until next year when we better know the state of the economy in 1977.

Just last Wednesday we learned that industrial production, personal income and housing starts increased in May. The Federal Reserve Board said that industrial production in May—a broad gage of the economy—rose by 0.7 percent. The May increase was the 13th successive monthly rise since the recession reached a low point in April of 1975.

However, on Friday we learned that the growth in GNP was expected to slow substantially in the current quarter to considerably less than 5 percent on an annual basis. This decline in growth rate was attributed to decreasing consumer spending. Consumer outlays, after growing strongly and leading the economy out of the recession, flattened in April and declined slightly in May.

This economic uncertainty clearly demonstrates the wisdom of a temporary tax cut extension so that we can make any necessary modifications early next year.

The Finance Committee asked eight prominent economists, drawn equally from both major political parties, whether they favored an extension of the existing $20 billion in tax cuts and, if so, for how long. Seven of them were former members of the Council of Economic Advisers. All of the economists favored extension of the tax cuts at least for the rest of this year, but only four of them thought the cuts should be made permanent.

In view of the uncertain economic and budgetary situation, the Finance Committee has agreed to make one-half of the $20 billion tax reduction permanent and to extend the other half only for 1 year—until June 30, 1977. This will afford the Congress and administration next year an opportunity to review economic conditions and the fiscal requirements to see what, if any, further extensions of these tax cuts should be made.

As I read the legislative history of the Budget Reform Act, I am comforted by the fact that the distinguished chairman of the Senate Budget Committee during the debate recognized the responsibility of the Finance Committee to determine the proper mix of tax changes.

During a Senate floor colloquy on April 9, 1976, Senator PACKWOOD referred to a recommendation in the report of the Senate Budget Committee to raise $2 billion through tax reform.

Senator PACKWOOD stated:

On Page 6 of the Committee report where you make reference to the $2 billion in the tax expenditures that you hope the Finance Committee will pick up this fiscal year—do I take that to mean it is not necessarily a mandate that we close $2 billion worth of loopholes, but that we could just as well raise the income tax or the corporate income tax $2 billion? You are just talking about $2 billion additional revenue, and the reference to tax-expenditures does not necessarily mean so-called loop-holes.

Senator MUSKIE responded:

That is right. The only mandatory number with respect to revenues is the revenue total that we have included.

Senator PACKWOOD proceeded to say:

We are not necessarily committing ourselves to a $2 billion closing of tax loopholes—necessarily.

Senator MUSKIE responded:

That is right.

Senator PACKWOOD added:

What we are initially committing ourselves to are revenues of $362.4. billion and maybe next September that figure will be $360 billion, maybe $365 billion. Who knows?

Then we are saying to the Finance Committee report to get whatever insight it ate is $362 billion. It is up to you, gentlemen, to determine how we go to that figure."

Senator MUSKIE responded:

We, of course, would like to have the Finance Committee look at the Budget Committee report to get whatever insight it chooses to take from the Budget Committee's judgment.

But in the last analysis, it is the Finance Committee's judgment.

Mr. President, after weeks of hearings and markup, the Senate Finance Committee has reported a bill which raises a substantial amount of revenue through tax reform and the complete Finance Committee bill complies with the overall revenue target for fiscal 1977 which is $15.3 billion in revenue reduction.

The function of the Budget Committee is to set overall limits on revenues and spending. It is not the responsibility of the Budget Committee to dictate a breakdown of these overall limits. The Budget Committee simply did not have the opportunity to carefully scrutinize our tax structure during weeks of hearings and markup and then make a determination of the best approach for meeting that overall ceiling.

Mr. President, it seems to me that the ideal thing would be to permit the Senate to proceed in an orderly fashion on this tax bill and go through it title by title.

However, before we can even get a vote on the Finance Committee proposal to strike title I we are confronted with a major amendment to substantially cut individual taxes in title IV of H.R. 10612.

If we are going to proceed in that fashion, we are going to be confronted with the situation in which everybody tries to get some advantage to offer an amendment and tries to get the Chair to recognize him before the other fellow.

I urge my colleagues to reject this amendment.

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

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

HEALTH MAINTENANCE AMENDMENTS

Mr. KENNEDY. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on H.R. 9019.

The Presiding Officer laid before the Senate a message from the House of Representatives announcing its disagreement to the amendment of the Senate to the bill (H.R. 9019) to amend title XIII of the Public Health Service Act to revise and extend the program for the establishment and expansion of health maintenance organizations, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. KENNEDY. I move that the Senate insist upon its amendment and agree to the request of the House for a conference, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. KENNEDY, Mr. WILLIAMS, Mr. NELSON, Mr. EAGLETON, Mr. CRANSTON, Mr. PELL, Mr. MONDALE, Mr. HATHAWAY, Mr. DURKIN, Mr. SCHWEIKER, Mr. JAVITS, Mr. BEALL, Mr. TAFT, Mr. STAFFORD, and Mr. LAXALT, conferees on the part of the Senate.

QUORUM CALL

Mr. KENNEDY. 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, and the following Senators entered the Chamber and answered to their names:

[Quorum No. 25 Leg.]

Abourezk	Gravel	Morgan
Allen	Griffin	Muskie
Baker	Hansen	Nelson
Bartlett	Hart, Gary	Nunn
Bayh	Hart, Philip A.	Packwood
Beall	Hartke	Pastore
Bellmon	Haskell	Pearson
Bentsen	Hatfield	Pell
Biden	Hathaway	Percy
Brock	Helms	Proxmire
Brooke	Hollings	Randolph
Bumpers	Hruska	Ribicoff
Burdick	Huddleston	Roth
Byrd,	Humphrey	Schweiker
Harry F., Jr.	Inouye	Scott, Hugh
Byrd, Robert C.	Jackson	Scott,
Cannon	Javits	William L.
Case	Johnston	Sparkman
Chiles	Kennedy	Stafford
Clark	Laxalt	Stennis
Cranston	Leahy	Stevens
Culver	Long	Stevenson
Curtis	Magnuson	Stone
Dole	Mansfield	Taft
Domenici	Mathias	Talmadge
Durkin	McClellan	Thurmond
Eagleton	McClure	Tower
Eastland	McGee	Tunney
Fannin	McGovern	Weicker
Fong	McIntyre	Williams
Ford	Metcalf	Young
Garn	Mondale	
Glenn	Montoya	

The PRESIDING OFFICER. A quorum is present.

TAX REFORM ACT OF 1976

The Senate continued with the consideration of the bill (H.R. 10612) to reform the tax laws of the United States.

Mr. LONG. Mr. President, I know of no reason why anyone would object to the pending amendment; and if there is no objection to it, I hope the amendment can be agreed to by unanimous consent. I have yet to hear of anyone finding any objection whatever to the pending amendment to the Muskie amendment. Not one Senator has indicated that this is not good tax reform and that these sections in the bill which repeal obsolete sections or seldom-used sections in the Tax Code should not be effective.

I ask unanimous consent that the pending amendment be agreed to.

The PRESIDING OFFICER. Is there objection?

Mr. MUSKIE. Mr. President, to the best of my knowledge, this amendment is a piece of a bill which was reported. It consists of technical, conforming amendments which usually are almost routinely adopted at the end of the consideration of the principal issues of a bill. I have no particular question about it, but I do have a question about its introduction at this point, its introduction as an amendment to my amendment.

I have the vaguest kind of suspicion that its purpose is to overload my amendment. It may be just the first of a series of amendments to try to overload it.

If the Senator would only give us some clue as to what he has in mind with respect to resolving the issues raised by my amendment, when we can expect to continue debate, how long it is likely to continue, when we can expect to have a vote on it, I think he would find me very receptive to the motion of disposing of this, which represents, I suppose, a duplicate cost of printing something to which there would have been no objection in the first place.

Mr. LONG. Mr. President, I hope the Senator does not deal lightly with the amendment he is holding in his hand, because that amendment contains 200 pages that simplify the Internal Revenue Code, deleting sections which are practically never used or obsolete, and it makes a few changes in some of them to make them more comprehensible and easily understood. We have had all of that before us on at least one or two other occasions. It should have been passed and should have become law a long time ago. It has not been passed. I do not see any reason why it should not be agreed to.

While we are getting around to the point of voting on the amendment by the Senator from Maine, which might take some time, this is one thing we could do in order to make progress. I have yet to hear one person find anything wrong with those 200 pages.

I do not know why the Internal Revenue Code should be cluttered up with a lot of obsolete provisions that are no longer needed. It seems to me that deleting them is something nobody can object to. If we cannot do anything else at this moment, it seems to me that that is one constructive thing we can do—agree to something with regard to which nobody can find any cause to disagree. We cannot tell—it might achieve more than that. Anytime we can agree on something, we have made that much more progress in the right direction. If we agree on this, perhaps we can agree on something else. This is something with which nobody has disagreed.

Mr. MUSKIE. I say to the Senator that he, himself, established the first issue. This is not part of the first issue. This is at the end of the bill, and it is more consistent with the battle plan which the distinguished Senator from Louisiana has asked me to consider—that is, to put this at the end of the consideration rather than with his objections to my amendment.

So the clear-cut issue is before us. This is intended to bog it down. I do not think anybody has read it, to see whether or not there are objections to it, because normally it is the last routine item of business taken up in connection with a bill. So far as I know, that is all it is. I have not read it.

Mr. LONG. The Senator must remember——

Mr. MUSKIE. May I finish?

I am willing to accept the Senator's description of this. But what concerns me is this: Why was it offered here? Why was it put on my amendment? Why the delay in getting to a vote on my amendment? What are the Senator's plans?

Little as I know about parliamentary procedure, I have learned around here not to agree to anything until I know why the initiative was taken. The Senator has been one of my teachers—not that he has made me an expert, as I would classify him, in all these matters. But I am not going to agree to a thing until the distinguished floor manager tells us what his plans are with respect to the issue he has raised with respect to my amendment, without any more debate. We have had 2 days of debate. I am not going to agree to anything until we dispose of that. The Senator, on the first evening of debate, said it was the first order of business, and this is the last order of business in any bill.

It is for that purpose that I am not going to open up to the Senator from Louisiana parliamentary opportunities of which I, in my ignorance, am totally unaware.

I object.

The PRESIDING OFFICER. Objection is heard.

Mr. LONG. I hope the Senator will withhold his objection long enough for me to clarify matters.

Mr. MUSKIE. I withhold for that purpose.

Mr. LONG. What the Senator has there are not technical and conforming amendments. That is known as a deadwood bill. It is to repeal all the obsolete sections of the Internal Revenue Code that no longer serve any purpose. For years and years, people have been confronted with the spectacle of a lengthy, complicated, difficult code. It is bad enough to have to be confronted by the complexities, much less to be struck with all these sections that really serve no purpose and do not belong in there. This would repeal 200 pages of laws which are not needed at all. If we take out those 200 pages, that is reform—to get many obsolete sections out of the code. That is reform. At least, we will have simplified the law to the extent that we will repeal 200 pages of complicated, incomprehensible sections of the law that are no longer needed. However, if the Senator wants to object, that is his privilege.

Mr. MUSKIE. I say to the Senator that his description of these 229 pages to me brings me to the 1,500-odd pages that he would put back in the Code. I think that we ought to dispose of one thing at a time.

That is my New England upbringing. You take one thing at a time. We have a very plain situation before us. If the Senator is interested in agreeing to a time limitation on the Muskie amendment and a vote, either a motion to table or a vote up and down. I have no objection to the substance of the Senator's amendment from anything I have heard about its contents. But I would like to get the first order of business taken care of before we take care of the last order of business.

Mr. LONG. Mr. President, I understand the Senator's point of view. I take it he objects to voting on the amendment that is pending.

Mr. MUSKIE. At this time, until I get some clue as to where we are going from here.

The PRESIDING OFFICER. Is there objection?

Mr. MUSKIE. I object.

The PRESIDING OFFICER (Mr. GARN). Objection is heard.

Mr. LONG. Let me make it clear, Mr. President, that in my judgment, the Muskie amendment pending itself does nothing but confuse the issue. What I wanted to get clear was that any standing committee of the Senate, within its

jurisdiction, has not only the right but the duty to recommend to the Senate what the majority of the members of that committee believe to be best, all things considered. That is the duty of a committee, in my judgment, which cannot be denied by someone who might have a difference of opinion with the majority of that committee. Those who might be on some other committee might look at it differently. But unless the Senate has expressly ordered a committee to do a particular thing, or ordered a committee not to do a particular thing, then it seems to this Senator—I am confident I am right about this, and when the Senator comes to understand it, they are going to have to sustain it—that in the absence of an order by the Senate, expressed directly, not by inference or indirectly, that the committee should do something or not do something, then the committee should do what its majority vote would feel to be the best for the Nation and the whole free world, quite independently of whether someone or some other committee might think that that is what this committee should do or not do.

As a matter of fact, as much as I would like sometimes to keep another man's conscience, there is no way I can do that, because I am not that man. The same thing applies the other way around. Sometimes I wish I could be the able and effective, competent, distinguished Senator from Maine, but I am not. That is just not how the good Lord made me, so I cannot be that great Senator. I just have to be whatever the good Lord happened to have in mind when he put me here. The same thing tends to work the other way around. So, as much as I might want to do what Mr. MUSKIE would do if he had the responsibility thrust upon him that I find mine from time to time, it is not possible for me to do that. All I can do is just do the best I can to reflect what I think is correct when I have the problem thrust upon me, and I suppose the same thing is true with regard to the others.

If the Senator will not accept an amendment that, to me, is something that absolutely cannot be objected to, that nobody could get upset about, if he cannot agree to that, then, Mr. President, I withdraw the amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

UP AMENDMENT NO. 63

Mr. LONG. Having read the Senator's speeches and having heard them, I send to the desk an amendment.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Louisiana (Mr. LONG) proposes an unprinted amendment numbered 63.

The amendment is as follows:

On page 2, line 8, strike out "Nine-month" and insert "Special".

On page 2, beginning with line 11, strike out through line 18 and insert in lieu thereof the following:

"(2) SPECIAL RULE FOR 1977.—

"(A) ALTERNATIVE AMOUNTS.—Notwithstanding the provisions of paragraph (1), in the case of taxable years ending after December 31, 1976, and before January 1, 1978—

"(i) the percentage '1 percent' shall be substituted for the percentage '2 percent' in subparagraph (A) of such paragraph, and the amount '$17.50' shall be substituted for the amount '$35.00' in subparagraph (B) of such paragraph, or

"(ii) the percentage '1.5 percent' shall be substituted for the percentage '2 percent' in subparagraph (A) of such paragraph, and the amount '$26.25' shall be substituted for the amount '$35.00' in subparagraph (B) of such paragraph.

"(B) DETERMINATION OF WHICH ALTERNATIVE APPLIES.—Clause (ii) of subparagraph (A) of this paragraph applies to such taxable years only if the Secretary determines that the net reduction in fiscal year revenue under this title for the fiscal year ending on September 30, 1977, as a result of the amendments to this title made by the Tax Reform Act of 1976 (other than to this paragraph) do not exceed $15,300,000,000. The Secretary shall make such determination within 30 days after the date of enactment of such Act and immediately inform the Congress of his determination and the methods and data upon which the determination is based.".

Mr. MUSKIE. Mr. President, does the Senator have a copy of that amendment?

Mr. LONG. Yes, in just a moment I shall be glad to send it.

Mr. FORD. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. MUSKIE. May I ask the Senator, is this offered to my amendment or——

Mr. LONG. Yes, it is offered to the Senator's amendment.

Mr. FORD. Mr. President, the Senator has yielded to me. I ask unanimous consent that James King, of my staff, be granted the privilege of the floor during debate and vote on this legislation.

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

Mr. LONG. Mr. President, what I propose by this amendment is to take up the Senator from Maine on his proposition. The Senator says that if we vote for his amendment, that will require the Senate to vote for further increases in revenue so as to pay for this; that that will put the Senate under pressure to vote for more tax increases or more reductions of tax expenditures, if you want to put it that way, or closing tax loopholes. If you would prefer to put it in the language that appeals to some, to raise the money to pay for all this.

Now, this amendment would take the Senator up on his proposition. We find the money to pay for this, and, fine, we shall have the additional $1.7 billion of tax cuts. Now, if we cannot find the money to pay for it, we should not have it.

As far as I am concerned, the same thing ought to apply to every provision in the bill that the Committee on Finance has recommended. If we have the money to pay for it, let us pay for it. If we do not have the money to pay for it, let us restructure this bill until we do. We can either do it here on the floor or we can recommit the bill and let a committee do it. In either event, that is how we on the Committee on Finance did business. We started out by saying, all right, we would like to have all these tax cuts; let us see how much money we can raise. After working on this thing for almost 5 weeks, we said, all right, here is how much money we have; let us see how much good we can do with this much money.

We looked at what we had in our bill and we tried to balance it off.

The amendment finally got in and we said about the only way we could see to get all of these good things into this bill that seemed to be in the public interest that we think would promote the interest of the whole free world could be to say that a part of this temporary emergency tax cut for individuals, and only that which applied to people making more than $12,000, would come to an end July 1, 1977. That is more than a year from now. That is the way you could finance it.

We have provisions in here which would help people to insulate their homes, which was not called for by the Budget Committee. We have provisions to help conserve energy, which was not called for by the Budget Committee.

The Budget Committee was urged by business and by the administration and even by the Finance Committee to find some money to help people accumulate some capital to build new plants and provide new opportunities for people to go to work at good jobs, but they could not find anything at all, not 5 cents, to put in there. In fact, the way I read this, when you take another $2 billion away from business—I do not care whether you call it a closing of loopholes or whether you call it a reduction of tax expenditures or whatever, it is still just a tax increase that takes money away from people and they cannot invest and put people to work and use that as equity to borrow more capital to expand with money they do not have. So when you take the money away from them I do not care what you call it, they still have that much less.

So far from finding another $2 billion to help expand job opportunities, the Budget Committee could not find any room at all for 5 cents worth of that in the tax package. We do make some recommendations in that direction. So I would think that we ought to look at the whole package, all the tax cuts, in the context of saying which way would the package do the most good, and I would be willing to live with this amendment with regard to every reduction that the Finance Committee has recommended, and say, "All right now, it has all got to appear within the $15.3 billion." That is the Senator's argument, as I understand it, that if you pass his amendment you are going to have to come within the $15.3 billion, and I would think that if the Senator is sincere—and I am sure he is—he would be compelled in good conscience and consistency to accept this amendment and say, "All right, when you agree to this; that is, you do so only assuming we raise enough money to pay for it," and that is the whole idea of the budget concept.

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

Mr. LONG. I yield.

Mr. NELSON. I do not have a copy of the bill.

Mr. LONG. May I say to the Senator he will not find out by reading this

technical language; he would find out by letting somebody come here and explain it to him.

Mr. NELSON. That is exactly what I want to do. I want to understand does the Senator's amendment raise any money itself, and I am talking about the amendment.

Mr. LONG. Not this, no. What this says is that the Secretary of the Treasury, as an administrative act, is required to find a fact, and the fact is that the tax cuts proposed here are within the $15.3 billion, and this tax cut can be fitted into it. Then the tax cut which, of course, would apply as of July 1, 1977, for the next quarter would be in effect, and that if he cannot make that determination it would not be in effect.

Mr. NELSON. Still, if I understand correctly, what the amendment is saying is that if after we have completed all action on the bill, and the Secretary then looks at all the tax expenditures, tax cuts, and all the money raised, if, in fact, within the bill as completed after final passage, there is enough money to pay for the extension of the $35 for the next quarter——

Mr. LONG. Yes.

Mr. NELSON. There is enough money in the bill then the extension automatically occurs. If there is not enough money then it terminates as provided in the bill as sent here by the Finance Committee.

Mr. LONG. Yes. Yes, that is the idea of it.

I would say further to the Senator that the purpose goes a little beyond that. The purpose is to simply set the pattern with regard to all these tax cuts if we are going to stay within the $15.3 billion. Now we can restructure this bill however we want to once we have agreed what tax cuts we are going to vote for and what tax increases we are going to vote for.

Once we see how much money we can raise, we can then say, as we did in the Finance Committee, as the Senator will recall, that now we have this much money to work with, how do we want to spread this around. That is basically what this seeks to get us to. Of course, if this went on through and became law that way that is how it would work. But I do not propose to necessarily limit that to this one provision. I am willing to look upon them all that way.

Mr. NELSON. However, I am assuming this amendment applies specifically and only—that is the discretion that is extended to the Secretary, after examining the tax expenditures and the revenues raised, the discretion applies only to this $2 billion extension of the $35, so that if there is not enough money when the bill is completed to pay for the extension of the $35 cut, the $35 cut is terminated as of July 1 pursuant to the bill.

Mr. LONG. And all we have got to do is to see to it that they get—all we have to do is to see that everybody gets—this additional tax cut, which is just to provide the money for it from somewhere else, which means you can vote for whatever tax increases you want to. You can vote to end DISC, vote to cut off deferral for corporations doing business overseas; you can vote for any combination of revenue increases you want or, for that matter, you can vote to repeal provisions that are in the law that terminate something that gives someone a tax break, or you can vote if you want to to raise more revenue by putting taxes on whomsoever you want to put it on.

But one way or the other, you ought to find a way to pay for it. That is the idea. The Senator's argument has been that if we will vote for his amendment this means that the Senate will then proceed to vote for these reductions in tax expenditures and for whatever further tax increases it might want to vote for that will make it possible to fund his amendment.

Well, that is fine, all right. If you want to do it, let us—from my point of view I am calling the Senator's hand—let us do it exactly that way. Let us do it this way: If the Senate wants to provide that additional money either by adding additional taxes or by not agreeing to some of the tax cuts that have been recommended, then this will take place.

Mr. BENTSEN. Mr. President, will the chairman yield?

Mr. NELSON. If I may pursue this for just a moment.

Mr. BENTSEN. Yes.

Mr. NELSON. It seems to me, however, that the fundamental question raised by the Senator from Maine by the introduction of his amendment remains unsettled even with the amendment offered by the chairman of the committee, because what the Senator from Maine is saying is that we should make a decision one way or the other now early on before we proceed to enact any other amendment or the bill itself, so that everybody in the Senate will know what the situation is.

Now, if in fact the Senate voted down the amendment of the Senator from Maine then it would be perfectly orderly to continue as we are, and if we in fact raised more money and got around to the extension of the $35 cut and had the money we could do it.

But what the Senator from Maine is saying is before we act on the provisions of the bills that contain a number of amendments which will, in fact, raise money, adequate money, to pay for the $35, we ought to have made a decision on this issue. Then when we get to the amendments that raise additional funds you are going to have people in here who voted to say, "Yes, we favored extension of the $35 credit, which is beneficial to those in the lower income groups, but we are not going to vote for any funds to raise it," and that, at least, sharpens up and points up the irresponsibility of a Member who is willing to vote on extension of tax cuts but is not prepared to vote for an increase in taxes someplace to pay for them.

The amendment offered by the chairman of the Finance Committee, the Senator from Louisiana, is a very ingenious one. I have a couple of amendments I would like to toss in under the same auspices which would extend some goodies worth several billions to all kinds of people, but we know really that it is illusory, and all that would happen was you could pass my amendment, everybody could vote for it because there is not any obligation to vote a tax to raise it because the Secretary has the authority to say, "Well, you did not raise the money so this amendment that was passed by the Senate is inoperative because you did not raise the money."

So we will have a situation here where people vote for this amendment. Then they are able to say to all their constituents. "We tried to extend that $35 to you poor folks, and I voted for it, but we couldn't get the money raised, and therefore, the Secretary had to knock it out."

I do not think it forces the discipline upon Members of the Senate of being totally irresponsible for their acts in this bill.

So unless there is something to it that I am missing, I have to say to the chairman that I could not vote for this amendment.

Mr. BENTSEN. Will the Senator yield?

Mr. LONG. Yes.

Mr. BENTSEN. I think that the chairman of the Finance Committee has proposed a very appropriate and responsible amendment.

What we are arguing about with respect to the proposal of the Senator from Maine is the length of a temporary extension of the $35 individual tax credit.

The Finance Committee has proposed extending the $35 individual credit until June 30.

Mr. LONG. June 30 next year.

Mr. BENTSEN. Yes, next year. And the Senator from Maine is talking about extending it another 3 months.

But what happens to the last 3 months of calendar year 1977? This body will eventually have to make the determination for the last 3 months of the calendar year but we want to look at the economic conditions as they evolve next year, so that we have a better informed judgment to arrive at what is best for the economy.

The Finance Committee increased the standard deduction. For single persons we raised the standard deduction to $1,700, or 16 percent of adjusted gross income on a permanent basis and for married persons we permanently raised the standard deduction to $2,100 or 16 percent of adjusted gross income, whichever is greater.

The other question we run into is that some of my colleagues say, "Well, we don't really want to line items you, we don't want to do that to the Finance Committee."

Well, how much more line item can we get?

We are talking about a $35 item for 90 days and I can get the tax return out and show the line item on that one. That is how line item we are becoming in this situation.

If you are saying "OK, we don't want to line item, what we are talking about is national priorities," where do we draw the line between a national priority and a line item?

Let us look at housing. The reason we are still building apartments is because there is some tax incentive.

I hear some of my friends under the name of reform say, "We want to wipe

that incentive out, we want that clearly labeled subsidy, we want to turn it over to some Government department to decide what that subsidy should be."

Frankly, I prefer the free enterprise approach rather than allowing some Government bureaucrat to make that determination and decide what the subsidy ought to be. I would rather leave it to the free marketplace to accomplish that.

Another objective is to try to provide some equity capital for industry, to try to modernize industry in this country, to make this Nation more competitive in the world markets, to do something to keep our balance of trade and the dollar sound.

Let the dollar go bad and see what happens to the consumer and individual in this country.

We have done that. We do not want to follow the course of England which in the last 20 years put the smallest amount of its taxpayers' income back into investment capital. Yet this country has put an even smaller percentage of its disposable income back into manufacturing capacity.

We tried to correct some of that in the Finance Committee bills.

So what the Senator has said is all right if he still feels that what we should be doing is spur consumer purchases in this country. If next summer and the remainder of next year, we are not going to have inflation, and if the economy will be in serious trouble and will not continue to recover, and if what we really want is to spur consumer spending, then sure, extend the tax credit, but do not make it $35, make it for $70 or $140, because it is easy to vote for those kinds of cuts.

But what we are talking about is fiscal responsibility and trying to see what the economy is 6 months from now, 9 months from now, and set an economic course for this country that tries to discourage inflation and tries to give us some stability, because it is the consumer and the individual that finally pays the price for that, and to give us a responsible tax policy.

Again I say, I believe what has been offered is an amendment that says, "All right, if you want now to make that determination for a 3-month extension, then before you do that, let's show we have the courage to vote for some of these things that have to be done."

In all candor, I think it is a serious mistake to make that judgment now. We may not want at all to be spurring consumer spending in mid-1977 because inflation may be rampant, it may be a more serious problem than today.

Mr. LONG. Mr. President, I thank the Senator.

May I say this, I have talked to one or two of the lobbyists who are working on something they think very important, and here is what I get from them.

They say that if the Muskie amendment is agreed to, that that does not mean that which they are interested in will be lost. All that means is that we will be sure to bust the budget because they have been talking to Senators, and enough Senators have promised to vote for this and that. They will have the votes to protect themselves. So that all the Muskie amendment will wind up being is just a budget buster, and the Senate will pass the bill far beyond the $15.3 billion.

I do not think the Senator really wanted it to be a budget buster. I think he really wanted to offer a bill to do what he said. I think he is sincere today in wanting to make the Senate face up to this matter. I think he feels if the Senate votes for his amendment, then it would be willing to vote for the kind of reforms he thinks would bring about, by his standards, fiscal responsibility.

If that is the case, Mr. President, and the Senate will, in fact, vote for the kind of amendments the Senator would like to see us vote for and do it the way the Senator from Maine thinks it ought to be done, if that is what the Senate wants to do and it does that, then I will make the motion myself to recommit and report back without this amendment, because by that time the bill will finance itself.

But if it goes in this way, to bust the budget, it will be $10 billion beyond the objective we started out to achieve of $15.3 billion.

As a spokesman for the committee, I will be managing a fiscally irresponsible bill. I have seen this before, where we start out with someone offering an amendment that is not going to make the bill a budget-buster and an irresponsible bill, and he is sincere about his amendment—in fairness, every Senator thinks his amendment is one of the finest things proposed for the good of the country—so if his amendment is agreed to, someone else has an idea that has even more merit, in his lights, and the Senate oftentimes will add such an amendment, and here comes another, then end up with a bill that is totally irresponsible.

In spite of all the conversation we hear about responsibility, it has always been said, the way a man can stay in office forever is to vote against every tax, for every appropriation, and for every tax cut—and sometimes Senators do that.

I yield next to the Senator from Minnesota.

Mr. MONDALE. What I object to in this approach is that for some reason the temporary tax relief now available to the average American in the form of a credit is the only temporary tax that is being held hostage in this bill. All the other preferences that are built in for corporations and many wealthy Americans are permanent in this bill.

Mr. LONG. If the Senator will yield, it is all right with me to hold everything in the bill hostage under the same conditions.

Mr. MONDALE. But my objection is that that is not what the bill does. This bill says for the first time we are going to put a maximum tax on unearned income, which may very wealthy Americans about $20,000 each, probably the Americans who least need it.

Mr. LONG. If the Senator will let me respond, when we get to that section of the bill it is all right with me for the Senator to offer an amendment to do the same thing with regard to every one of those sections, that and all the others.

Mr. MONDALE. Some of us have prepared a series of amendments to try to make those changes. But running through all of these arguments is that it is perfectly responsible to spend millions of dollars in various kinds of preferences, ceilings on maximum tax on earned income, a continuation of DISC, a recycling credit, an extra 2 percent on the investment tax credit for ESOPS, and so on. Running through this bill are several preferences, many of which are new to the tax law that, in this bill, are permanent changes in the tax law. By the time they spin out over the next 3 or 4 years they will have a net adverse effect upon revenue raising of about $4 or $5 billion.

The only thing that is not extended here, and which terminates under the provisions of this act, is the modest relief now found in the bill for the average family. I cannot understand why it is responsible to spend money through the so-called tax expenditure theory for these preferences that go to corporations and wealthy Americans but irresponsible to ask that we continue—we are not adding any new relief—relief for the average taxpayer now in the temporary tax reduction.

Mr. STONE. Will the Senator yield?

Mr. MONDALE. I would be glad to yield in a moment, but I do not have the floor.

It seems to me that if we look at the current economic situation, the arguments are very strong for extending those individual tax cuts and less strong for many of the preferences for business now found in this bill.

Just yesterday the New York Times had a story that said that the economy is not growing as fast as the economists predicted. It is more sluggish than the original estimates. Consumer purchases at a retail level are very level, they are not growing. But what is soaring is corporate profits. There is a profit explosion today. In the first quarter of 1975, profits before taxes were $91 billion; in the second quarter $102 billion; in the third quarter $126 billion; in the first quarter of 1976, $134 billion. Thus, profits, from which capital investment flows, have increased by 50 percent in a single year while consumer purchasing power has remained unchanged and retail sales actually declined in May.

This bill says let us increase relief for that sector of the economy that is profiting the most and put the squeeze on and terminate some $9 billion in relief to the consuming power.

I do not know why it is considered to be responsible to deal in that way.

I think we can very easily extend these temporary cuts for the individual and make modest changes.

This is not an antibusiness set of proposals we have in our amendment. There would still be many, many preferences for business found in the bill. But I do not see any reason why we cannot slightly increase the revenue pickup in certain of these areas and fund the temporary cuts through the last quarter.

I would think if we would sit down we can work something out.

Mr. STONE. Will the Senator from Louisiana yield?

Mr. LONG. If the Senator would want

to get into this colloquy, I will call on him later, but if he wants to put something into the RECORD I will yield now.

Mr. STONE. The Senator from Florida wants to raise a point and ask the Senator from Minnesota one question of interest to the Senator from Florida. I shall be brief.

Mr. LONG. If I may respond first, then I shall yield.

In the first place, if we achieve the changes that the Senator from Minnesota would advocate, then we are not going to need any limitation at all such as I am proposing here. As far as I am concerned, if the Senator can do everything he wants to do to this bill before it is over with, I will make the motion myself and have it reported back without the Long amendment. But I do not believe the Senator will be able to do that any more than I believe everybody will be able to do everything they want to do. I know from long years of experience that it is easier to get someone to vote for a tax cut than it is for a tax increase. That is how it is.

Sometimes these bills reported by the Finance Committee lose more revenue than they should, but invariably the Senate increases the revenue loss here in the Chamber beyond anything that the committee does. What happens is that the press accuses the Finance Committee of being irresponsible, but if the Senator thinks we are irresponsible, wait and see what the Senate does to it.

Point No. 2, the Senator is talking about how the economy is going. Here is the Wall Street Journal of today. The stock market is up and the economy is moving. It is ahead of the previous estimates. It looks like we are coming out of this recession. This temporary emergency tax cut will not be needed indefinitely. We may not need it by the time we reach July of next year.

Furthermore, there are a lot of things in this bill which help the poor. For example, if the Senator will look at the amendment the committee is offering, by increasing the minimum standard deduction to help the poor we would make it so that the great majority of those making $12,000 or less, the overwhelming majority of them—in fact, a great many of those making $15,000 a year—would have more tax cut and more help under the committee bill than they would under the Muskie amendment. The way we help the poor more effectively is with things like the earned income credit and the minimum standard deduction. These things help the poor a great deal more than a $35 tax credit.

Furthermore, if we want to help those who are above $12,000, the type of thing we have in this bill—for example, making the employee a shareholder in the company for which he works, with a growing equity ownership year by year—will do more good for these middle-income families who are making more than $15,000. It will mean a great deal more to them in the long run than an equal amount of money in a temporary tax cut.

Mr. MONDALE. As the Senator knows, I support the idea of the employee stock ownership program. This is an idea that I think should be tested. As the Senator knows, the so-called Nelson tax proposal does not propose to change that provision of the bill because it does appear to have long-term potential to give employees a chance to share in the earnings of capital in America. We do not know if it will work, but it is something that should be tried. We are not attacking that provision. We think it makes sense. But there are many other provisions which could be modified slightly to pick up the revenue we need to assure the continuation of those temporary tax cuts.

I daresay if we ask the average American would they like us to spend their money for them through the tax law or, on the other hand, continue the temporary extensions so they might make their judgments in each family as to how they wish to spend their money, I would have little doubt which they would prefer.

Mr. STONE. Will the Senator yield?

Mr. MONDALE. Let me finish this point.

I think right now, as we meet today, there have been modest improvements in the economy but all of the economists are now reporting that the last quarter was not quite as boisterous and the economy did not grow as fully as people expected. Right now we have 7.3 percent unemployment.

If that temporary tax cut expires next July 1st, as proposed in this bill, economists' estimate that 260,000 Americans will lose their jobs. I cannot believe that is the direction in which we wish to go.

I believe if we were to vote directly on the extension of the temporaries, that it would be overwhelmingly adopted in the Senate, and would be responsible economic policy.

Mr. LONG. What I am saying is, if you are able to do what you would like to do, we will not need the amendment I am offering, and I will be glad to drop it out; but I believe the amendment I am offering will actually put pressure on Senators to vote for the kind of thing you are talking about, because I am saying, "You find the money to do these things, and then we will do them; otherwise we cannot do them."

Mr. MONDALE. Yes; but I understand the present terms of the pending amendment would say that the only provision in this tax bill that would be affected by what we do on the so-called tax expenditure amendments would be the individual tax cuts. In other words, none of the other business preferences, deferments, credits, maximum taxes and other things that are in here for corporations and wealthy Americans would be subject to that determination.

Mr. LONG. I am willing to make all those things subject to it.

Mr. MONDALE. But right now they are not; is that correct?

Mr. LONG. That is right. But please understand——

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

Mr. LONG. I am telling you in good faith I am willing to make the others subject to the same stipulations.

I yield to the Senator from Florida.

Mr. STONE. Mr. President, I was one of the Senators who voted not to table the LAL amendment of the Senator from Minnesota's group. Furthermore, I am very much interested in voting in favor of one of the amendments offered by the Senator's group relating to retirement income credits.

Whereas the committee would phase in this retirement income credit to the elderly poor and middle-income taxpayers, the Senator's group would immediately apply the House approach. That would cost an additional amount of some $200 million plus over what the committee has done.

Why should that provision be held hostage to the 3-month extension? In other words, when the Senator implies that by offering this amendment now, what we do then is simply pick up more revenue from these tax shelters, the Senator does not include some of these other good amendments, such as the retirement income credit that the Senator from Florida would like to support.

Mr. MONDALE. That is correct, because the way in which this bill works out, the general theory was that we would offer amendments at the appropriate title, and that matter comes up in a different title.

Mr. STONE. But this amendment is not offered at the appropriate title. It is being offered now.

Mr. MONDALE. Yes; but the fundamental issue before the Senate now is whether we wish to extend those temporaries or not. If we do, I think we have to approach the bill differently. But be assured that I strongly favor the immediate change in the tax law to liberalize the private pension income or income for retired Americans.

Mr. STONE. That will cost us more money.

Mr. MONDALE. Yes, but I think it is a good amendment, and, as the Senator knows, the House in its bill immediately applies that liberalized rate.

Mr. STONE. The Senator from Florida wishes to apply that liberalized pension credit instead of the 3 months across the board. But by offering this now instead of at the proper time, when we have either voted some of these amendments in or we have not, the Senator from Florida is being held hostage.

Mr. MONDALE. I strongly support that retirement income credit. I think it is very important. But I do not know how you are going to get the average family, trying to raise six children on a $12,000 income, to feel that $180 is not equally important. I think they are both desperately needed; but in order to fund both of them, we have to have some tax reform in here to pick up the revenue.

Mr. LONG. Mr. President, the problem raised by the Senator from Florida is directly in point to 50 amendments in the bill. Let me just take a simple example. I stood here on the floor, and I am sure the Senator heard me, the other night when I assured the Senator from Massachusetts (Mr. BROOKE) that we would try to do something to encourage people to insulate their homes, or to make both their heating and their air conditioning

more efficient. All right; we have something in the bill to that effect. It costs a lot of money, between $200 million and $300 million, and it does only half as much good as we would like to do, because of the fact that we would like to include new homes as well as existing homes, but it might significantly increase the cost of it to apply it to new homes as well as existing ones.

In my judgment, in view of the fact that there is nothing in the Budget Committee resolution that provides anything specific in the energy area using fiscal policy, then the inference there is that if we adopt the Muskie amendment, the $35 tax credit comes first, and everything that would help insulate homes is something you do outside the tax system. I think that concept has to go. I think the same thing is true of the Senator's amendment; you cannot place a priority on $17 billion of tax cuts, and provide for only $2 billion of additional revenue, and still do all these things.

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

Mr. LONG. Yes, I yield.

Mr. STONE. Why is this amendment applicable only to 3 months? Will not the Senate be faced with the decision to be made as to the remainder of the calendar year? In other words, why this 3 months amendment at the beginning of the bill instead of deciding whether or not we can afford it at the end of the bill?

Mr. LONG. Please understand, that matter was discussed in the committee, and that was how we felt we ought to do it. I think when we come to the end of the bill, we ought to look at what we have, and then we ought to have a motion to send the bill back to committee to try to balance those things out, to look at the priorities. It is all right with me if the Senate wants to make that decision for us; I would be happy to have them do it. I can either make the motion myself, or let others do it, unless the Senate can agree, at that point, which ones of these amendments we want to put a higher priority on.

If that is not done, I suggest we recommit the bill, and ask the committee to squeeze as many of the good things in as possible, to take the best advantage we can of all the good things and get as much benefit as we can. These are two ways we could do it.

The last thing on Earth we ought to do, I think, is approach this thing from a budget busting point of view, where we vote these tax cuts without finding the money to pay for it. That is a danger that is always present, in my view, with any revenue bill that would try to cut taxes. Some of these things cost enormous amounts of money, billions of dollars. When we have these amendments offered, it is easier for people to vote for them than to try to explain why they do not vote for them. Then we on the committee have to suffer the embarrassment of going to conference with an irresponsible bill.

Mr. STONE. Mr. President, the Senator from Florida has been looking over a group of Senators, including the Senator from Minnesota, who was just in the Chamber, and been thinking whose amendments we have that the Senator from Florida might well vote for.

I have already voted not to table the LAL in the form that it was constructed. For example, I might well vote for the amendment on maximum tax. But the Senator from Florida may not be able to vote in conscience for enough of those amendments to pay for all of the good things that these groups of amendments also provide such as the retirement income tax credit and some other amendments that other Senators have proposed.

The Senator from Florida feels constrained not to add extra prior obligations for voting for tax amendments that he might not, on the merits, in terms of revenue or fairness or otherwise, want to vote for. So the Senator from Florida feels rather strongly that what we have is a tactical as opposed to a merits approach.

If the same amendment were offered in its place, or at the end of the bill, if the Senator from Louisiana's amendment to the amendment were accepted and then reexamined at the end of the bill or in the title where this amendment would ordinarily come up, then the Senator from Florida could really take the temperature of the bill and the amendments being offered, and vote on the merits of each one.

But as it is, the Senator from Florida, and others similarly situated, are being asked to increase the pressure blindly at the wrong point, and really that cannot be the appropriate way to legislate something as important and basic as the fundamental tax bill of the United States.

Mr. LONG. We are being asked to do that in a context——

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

Mr. LONG. Let me simply say this to the Senator. We are being asked to do that in a context that suggested that the Senate had already agreed to $17 billion in tax cuts when we voted for something that said $15.3 billion for tax cuts, because there is some language in the committee report which would support precisely what the Senator from Maine is advocating.

So we would then be confronted with the theory—and that is part of what the Senator from Maine contends—that the Committee on Finance violated its duty when it recommended that we reported a bill that did not do everything that the Committee on the Budget had in mind, when the Committee on the Budget submitted an $15.3 billion figure.

My thought was that the $15.3 billion meant that we would look at all these things and try to work out the best mix that we could, including the kind of thing the Senator had in mind, and we ought to try to get all that inside the $15.3 billion. Obviously, if the Senate is committed and if it is the duty of the Senate to feel itself bound to whatever the Committee on the Budget had in mind when it thought about this matter some time back, then we will have to have those in any event and then the other things like the Senator is talking about will have to depend upon whether we can find some money for them.

When we vote this we are already $1 billion above our target.

I simply think that we ought to look at this the same as we look at the other amendments; by the time we get through seeing the various tax cuts we would like to suggest then try to get together a package where we can get as many of all these good things as we can.

As much as we can say for something that provides $35 for everyone, let us keep in mind that no one is going to benefit from that, practically no one, unless he is making more than $12,000 a year. The poor would not benefit from it because they are taken care of by other provisions that were recommended by the committee. So it is only those making above $12,000 who would get some benefit from this.

When we are talking about those kinds of people, middle income and upper middle and higher income taxpayers, is it not better to ask those people to do something, such as to invest some money and put someone to work, or to insulate his home or to do something useful, or to do any one of a great number of things, such as take some poor person off the welfare rolls and put him to work? We have even things like that in there.

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

Mr. LONG. Is it not better to ask someone who can afford this not to have his tax cut? Is it not better to have him do something in consideration of further tax cuts?

Mr. STONE. Is it not also just as important for us to analyze what we probably will be called on to do on a permanent basis, not only for the rest of the coming calendar year but maybe on a permanent basis for taxpayers in those brackets, as opposed to a full continuation?

Maybe the Senate is going to want to cut that by a third or by a fourth or by three-fifths or by half, and make it permanent.

Maybe the Senate is going to want to consider it for the rest of the calendar year and not just for the 3-month period.

Mr. LONG. Why, of course.

Mr. STONE. That is just as tough a decision to be made at the appropriate time as to whether we go another 3 months at this level.

Mr. LONG. The Senator is entirely correct.

Mr. STONE. That is what troubles the Senator from Florida. We are not really coming to grips with the real issue on this so-called temporary tax reduction, which is, do we make it permanent and if so how much of it?

Mr. LONG. I say to the Senator if we make it permanent we better take a look at what comes in the following year because there are all sorts of assumptions starting in the following year that we do various and sundry things that we think would help to make the country prosperous, make the economy grow, and we think would be good for our people in all respects.

As much as one can find fault with something that appears to be directed

toward the immediate benefit, such as the investment tax credit, I defy——

The PRESIDING OFFICER. The Senator will suspend.

EXECUTIVE SESSION

THE TREATY OF FRIENDSHIP AND COOPERATION WITH SPAIN, EX. E, 94TH CONG., 2D SESS.

The PRESIDING OFFICER. Under the previous order, the hour of 3:15 p.m. having arrived, the Senate will proceed to executive session to consider the Treaty of Friendship and Cooperation with Spain, Executive E, 94th Congress, 2d Session, which the clerk will state.

The assistant legislative clerk read as follows:

Treaty, Executive E, 94th Congress, 2d Session, the Treaty of Friendship and Cooperation with Spain.

The PRESIDING OFFICER. The resolution of ratification will be read for the information of the Senate.

The assistant legislative clerk proceeded to read the resolution of ratification.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that further reading of the resolution be dispensed with.

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

The resolution of ratification is as follows:

TEXT OF RESOLUTION OF RATIFICATION

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Treaty of Friendship and Cooperation Between the United States of America and Spain, signed at Madrid on January 24, 1976, together with its seven Supplementary Agreements and its eight related exchanges of notes (Executive E. Ninety-fourth Congress, second session) subject to the declaration that:

(1) the United States, recognizing the aspiration of Spain to achieve full participation in the political and economic institutions of Western Europe, and recognizing further that the development of free institutions in Spain is a necessary aspect of Spain's full integration into European life, hopes and intends that this Treaty will serve to support and foster Spain's progress toward free institutions and toward Spain's participation in the institutions of Western Europe political and economic cooperation;

(2) the United States, while recognizing that this Treaty does not expand the existing United States defense commitment in the North Atlantic Treaty area or create a mutual defense commitment between the United States and Spain, looks forward to the development of such an expanded relationship between Western Europe and a democratic Spain as would be conducive to Spain's full cooperation with the North Atlantic Treaty Organization, its activities and mutual defense obligations;

(3) the United States, recognizing that this Treaty provides a framework for continued nuclear cooperation for peaceful purposes with Spain, looks forward to a continued relationship in this field commensurate with steps taken by Spain toward becoming a party to the Treaty on the Non-Proliferation of Nuclear Weapons or placing all of its nuclear facilities under safeguards administered by the International Atomic Energy Agency;

(4) Senate advice and consent to ratification shall be understood to apply only to the initial five-year period of the Treaty, so that any United States agreement to an extension of the Treaty shall require the further advice and consent of the Senate; and

(5) the sums referred to in the Supplementary Agreement on Cooperation Regarding Materiel or the Armed Forces and Notes of January 24, 1976, appended to the Treaty, shall be made available for obligation through the normal procedures of the Congress, including the process of prior authorization and annual appropriations, and shall be provided to Spain in accordance with the provisions of foreign assistance and related legislation.

Mr. MANSFIELD. Mr. President, will the Chair state for the benefit of the Senate what the parliamentary situation is relative to two votes on the Spanish treaty?

The PRESIDING OFFICER. The first vote will be on the question on agreeing to the committee declaration to the resolution of ratification, and that will be immediately followed by a vote on the question of adopting the resolution of ratification, as amended.

Mr. MANSFIELD. The second vote will be for only 10 minutes' duration?

The PRESIDING OFFICER. The second vote will be for 10 minutes.

Mr. MANSFIELD. I thank the Chair.

The PRESIDING OFFICER. The question is on agreeing to the committee declaration to the resolution of ratification.

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 Idaho (Mr. CHURCH) and the Senator from Utah (Mr. Moss) are necessarily absent.

I also announce that the Senator from Missouri (Mr. SYMINGTON) is absent because of illness.

Mr. GRIFFIN. I announce that the Senator from Arizona (Mr. GOLDWATER) is necessarily absent.

I further announce that the Senator from New York (Mr. BUCKLEY) is absent due to illness.

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

The result was announced—yeas 91, nays 4, as follows:

[Rollcall Vote No. 308 Ex.]

YEAS—91

Abourezk	Glenn	Mondale
Baker	Gravel	Montoya
Bartlett	Griffin	Morgan
Bayh	Hansen	Muskie
Beall	Hart, Gary	Nunn
Bellmon	Hart, Philip A.	Packwood
Bentsen	Hartke	Pastore
Biden	Hatfield	Pearson
Brock	Hathaway	Pell
Brooke	Helms	Percy
Bumpers	Hollings	Proxmire
Burdick	Hruska	Randolph
Byrd,	Huddleston	Ribicoff
Harry F., Jr.	Humphrey	Schweiker
Byrd, Robert C.	Inouye	Scott, Hugh
Cannon	Jackson	Scott,
Case	Javits	William L.
Chiles	Johnston	Sparkman
Clark	Kennedy	Stafford
Cranston	Laxalt	Stennis
Culver	Leahy	Stevens
Curtis	Long	Stevenson
Dole	Magnuson	Stone
Domenici	Mansfield	Taft
Durkin	Mathias	Talmadge
Eagleton	McClellan	Thurmond
Eastland	McClure	Tower
Fannin	McGee	Tunney
Fong	McGovern	Weicker
Ford	McIntyre	Williams
Garn	Metcalf	Young

NAYS—4

Allen	Nelson	Roth
Haskell		

NOT VOTING—5

Buckley	Goldwater	Symington
Church	Moss	

So the declaration was agreed to.

The PRESIDING OFFICER (Mr. PEARSON). The question is, Will the Senate advise and consent to the resolution of ratification, as amended, on Executive E, (94th Cong., 2d sess.), Treaty of Friendship and Cooperation with Spain. On this question, the yeas and nays have been ordered. The clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Idaho (Mr. CHURCH) and the Senator from Utah (Mr. Moss) are necessarily absent.

I also announce that the Senator from Missouri (Mr. SYMINGTON) is absent because of illness.

Mr. GRIFFIN. I announce that the Senator from Arizona (Mr. GOLDWATER) is necessarily absent.

I further announce that the Senator from New York (Mr. BUCKLEY) is absent due to illness.

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

The yeas and nays resulted—yeas 84, nays 11, as follows:

[Rollcall Vote No. 309 Ex.]

YEAS—84

Baker	Gravel	Mondale
Bartlett	Griffin	Montoya
Bayh	Hansen	Morgan
Beall	Hart, Gary	Muskie
Bellmon	Hart, Philip A.	Nunn
Bentsen	Hartke	Packwood
Brock	Hatfield	Pastore
Brooke	Hathaway	Pearson
Bumpers	Hollings	Pell
Burdick	Hruska	Percy
Byrd,	Huddleston	Randolph
Harry F., Jr.	Humphrey	Ribicoff
Byrd, Robert C.	Inouye	Schweiker
Cannon	Jackson	Scott, Hugh
Case	Javits	Sparkman
Chiles	Johnston	Stafford
Clark	Kennedy	Stennis
Cranston	Laxalt	Stevens
Culver	Leahy	Stevenson
Curtis	Long	Stone
Dole	Magnuson	Taft
Domenici	Mansfield	Thurmond
Eagleton	Mathias	Tower
Eastland	McClellan	Tunney
Fannin	McClure	Weicker
Fong	McGee	Williams
Ford	McGovern	Young
Garn	McIntyre	
Glenn	Metcalf	

NAYS—11

Abourezk	Haskell	Roth
Allen	Helms	Scott,
Biden	Nelson	William L.
Durkin	Proxmire	Talmadge

NOT VOTING—5

Buckley	Goldwater	Symington
Church	Moss	

The PRESIDING OFFICER. Two-thirds of the Senators present and voting having voted in the affirmative, the resolution of ratification, as amended, is agreed to.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate return to legislative session.

The motion was agreed to, and the Senate resumed the consideration of legislative business.

TAX REFORM ACT OF 1976

The PRESIDING OFFICER. Under the previous order, the Senate will now return to legislative session and resume consideration of the unfinished business, which the clerk will state by title.

The legislative clerk read as follows:

A bill (H.R. 10612) to reform the tax laws of the United States.

Mr. MUSKIE addressed the Chair.

The PRESIDING OFFICER. The Senator from Maine.

Mr. MUSKIE. Mr. President, I yield to my good friend from Massachusetts.

Mr. KENNEDY. Mr. President, I am hopeful that at an early time the Senate will have an opportunity to vote on the amendment of the distinguished Senator from Maine on the issue of whether we are going to extend the tax cut for low-income and middle-income people.

I do feel that it provides the best opportunity for us to frame the issue which has been debated and discussed over the period of these last 3 days.

We are faced with a situation now, with the new amendment that has been offered by the chairman of the Finance Committee, to set certain conditions before these tax reductions could actually be continued, to be sure that the additional revenues are raised to pay for them.

Mr. President, I am strongly opposed to that amendment, at least at this time.

If that thought was in the mind of the chairman of the Finance Committee, or the members of the Finance Committee, such proposal should have been added at the time the Senate was debating the budget resolution some time ago that provided the $17.3 billion extension of tax cuts and $2 billion reduction in tax expenditures.

But that is the heart of the issue and I am very hopeful we can get an early vote on it. I know that there is reluctance by the chairman of the Finance Committee to permit such a vote. But I am impressed, as I am sure others are, that the Senator who offered that amendment is prepared to vote on it. and I hope we can vote on it.

Mr. President, I do not intend to go over the ground that has justified the Budget Committee's findings supporting the 17.3 billion extension of the tax cut.

I feel that the most important step that has been taken either by the administration or the Congress in bringing a turnabout on our economy was the tax cut of March a year ago.

In its review of the various fiscal and monetary policy issues, the revenue issues, the expenditure issues, the other economic issues, the Budget Committee made this recommendation to extend the $17.3 billion in tax cuts, and the full Senate accepted that recommendation in the first concurrent budget resolution.

That was debated to some extent by the Senator from Oregon last week and was commented on by the chairman of the Finance Committee. They believe we may want to hold off on extending the tax cuts. Last Friday the Commerce Department indicated a slight upward rise in the GNP growth rate for the first quarter from 8.5 to 8.7 percent.

But the fact also remains that the Government economists also revised downward, to below 5 percent, the GNP estimate for the second quarter.

The previous estimate had been 6 to 7 percent for the entire year and one administration official was even quoted as being uneasy about the recovery itself.

So, Mr. President, the amendment of the Senator from Louisiana is reaching right into one of the most important issues we face, and that is the question of the economic recovery of this country and the very basic questions that the budget resolution addressed.

It seems to me, Mr. President, that if this amendment were to be considered, as the Senator from Louisiana has indicated that he would like to have it considered, on all the other measures in the bill, it should be considered as a final amendment on the whole bill after we know exactly where we are going in all of these different areas.

It makes a great deal more sense to offer it at that particular time than tying it onto an issue and a question which reaches out to low- and middle-income people and the extension of their tax cuts, which are being held hostage to the fundamental failure to come up with a meaningful tax reform program. Why is it only the tax cut for the average citizen that is held hostage to raising the revenues to pay for it?

Mr. LONG. Will the Senator yield?

Mr. KENNEDY. In just a moment, I will yield.

It seems to me that if the Finance Committee had been able to come up with a program to save some $2 billion in tax expenditures, we would not be facing the dilemma we are facing at the present time.

But the fact is that the Finance Committee did not even meet the $15.3 billion figure that we have been discussing, or that has been talked about during the last 3 days, the target which was the bottom line of the budget resolution.

We have heard a great deal of talk about how the Finance Committee met the bottom line, $15.3 billion. But the bill does not even meet that bottom line. The bill that comes to us is only, as I understand it, at a level of $14.5 billion, which means that there is $800 million more to give away in the chairman's pocket. That that would be a nice downpayment to these individuals from low- and middle-income groups. Why does he not make it available?

Evidently he has other amendments in mind that are going to take care of the $800 million—some new loopholes. The average citizen has to get in line behind those loopholes.

I understand, Mr. President, that in the exact figures, the budget resolution specifies $17.3 billion for the tax cut, offset by $2 billion tax reform, which nets out at $15.3 billion. The Finance Committee bill has a tax cut at $15.5 billion and tax reform at $1 billion, which puts the net at $14.5 billion. That means there is $800 million more in revenues to be handed out in order to meet the $15.3 billion figure in the budget resolution.

So somewhere around here is a list of amendments in somebody's pocket with $800 million in terms of new loopholes.

Still, before we even get to those, we are facing the question of the Long amendment and saying that the amendment of the Senator from Maine cannot take effect until we are going to find out how these additional revenues will be raised.

I hope, Mr. President, that we can get to a vote on this amendment.

We have a package of amendments to meet the guidelines of the budget resolution on both tax cuts and tax expenditures. It represents the gist of the thinking of the cosponsors, bipartisan in nature. I am sure other Members have different ways and means of doing it, but it is a sound and thoughtful proposal that has been introduced by the Senator from Wisconsin (Mr. NELSON) and the Senator from South Carolina (Mr. HOLLINGS), and others, to meet this particular objective.

The amendment will insure that we are going to come up with the revenues to meet the obligations of the Muskie amendment.

Mr. STAFFORD assumed the chair at this point.

Mr. MUSKIE. I thank my good friend.

Mr. LONG. Will the Senator yield at that point?

Mr. MUSKIE. Without losing my right to the floor, Mr. President.

Mr. LONG. I would like to ask a question.

Mr. MUSKIE. I yield for the purpose of a question, Mr. President.

Mr. LONG. Does the Senator understand that the Finance Committee is recommending a further amendment that would provide that the minimum standard deduction would be increased?

Mr. KENNEDY. Yes.

Mr. LONG. So that the effect of that would be that almost all people who would have income of less than $15,000, and practically all who would have income of less than $12,000, would actually be every bit as well off, and a great number of them better off, than we would be with the $35 tax cut during that final quarter that we are discussing here.

Mr. KENNEDY. I have heard the Senator say that over the period, and I do not think that is an accurate statement. When we take the $35 credit and translate it into the equivalent of a deduction, so that we get a number comparable to the committee's low-income allowance proposal, it turns out that the committee's proposal discriminates heavily against families.

The credit for a single person is worth $250. With a couple it comes to $500; with one child it is the equivalent of $750. With the Senate Finance Committee proposal, it comes to $300 if it is a single person, $600 if a couple, and then it remains at $600 whether a couple has one, two, three, or four children.

A couple with a child does less well under the proposal of the Finance Com-

mittee. Certainly, those with the two, three, and four children will be in a good deal worse position.

The proposal that has been made, rather than being of help for the low- and middle-income people, with the exception of the single person and the couple without children, will be further disadvantageous to these taxpayers.

Mr. LONG. The great majority will do better, if the Senator will look at the numbers.

Mr. KENNEDY. May I ask if the Senator agrees that a couple with one child would do less well?

Mr. LONG. Those with one child would be about the same, almost the same.

Mr. KENNEDY. We have been listening to this debate. As I understand, the benefit is a $600 deduction under the committee proposal for a couple with a child. The $35 credit is equivalent to a deduction of $750. It is not the same and I do not think it should be called the same. What the Senator is doing is penalizing low- and middle-income families with large families.

Mr. LONG. Those who are single and the married couples would be, I believe, a little better off. Those who have one child would be about the same. Those with more than one would not benefit quite as well. Frankly, if it would satisfy the Senator, we will find a way to modify the amendment so those who have a larger family would be better off. Where one saves a lot of money is when one looks at those who are making about $10,000, $12,000 or above that figure. But the cost of this amendment to help those in the low income brackets as suggested by the committee is around $600 million in fiscal year 1977. We add that to the figure recommended by the committee and that gets us to around $15.1 billion. That reduces that $800 million figure the Senator was speaking of down to about $200 million. That does not give us much slack to work with when we are trying to cushion the cost of a $17 billion amendment enough to take care of these low-income families by perhaps a further modification of the amendment. It would not give enough money to take care of the rest of it.

Mr. KENNEDY. The Senator from Maine wants to address this issue. I will be glad to get into a more detailed exchange with the chairman on this issue. As I understand it, the low income allowance leaves a couple with one child in a worse position than the $35 credit. The only one who will benefit more are single individuals and couples. Once we are talking about a couple with one child, they will do less well under the proposal of the Senate Finance Committee. In any low-income or middle-income taxpayer with a large family, they will do dramatically worse. I fail to see how the Senator can say that the value of this, which is $400 million, can possibly replace the $1.8 billion amendment of the Senator from Maine.

The other point I was making is we can talk about a few hundred million dollars. I am glad to hear that the Senator from Louisiana is willing to target half of the $800 million in his pocket for low-income groups. But he still has another $400 million for new tax loopholes. Why does he not give it all back to the taxpayers who need it most?

It seems to me we should have a very clear understanding on where we are going. How can the Senator, on the one hand, offer an amendment to the Senator from Maine saying, "We have to raise that money on this particular issue," when the Senator has already some amendments somewhere down there at the desk, about seven or eight hundred million dollars worth of additional tax expenditures, which will grow up to multibillion dollars in future years. The Senator is saying to poor people, low-income people, middle-income people, that their tax reductions should be held hostage to these new loopholes.

I hope the Senator would defer consideration of this until we get to the end of the bill. Then it seems to me that, at that time, when we have gone through the bill, when we find out what we have done in DISC, deferral and tax shelters, it may have some justification.

I want to thank the Senator from Maine for yielding. I will be glad to come back to this issue with the Senator from Louisiana. I do think the committee's proposal on the low-income allowances ought to be put in perspective to recognize that low-income people will do worse under this proposal, unless they are single or do not have children, than under the proposal of the Senator from Maine.

Mr. LONG. If it will gain the Senator's support, we will modify the amendment to make sure that those low-income people do better under the amendment.

When Senators try to insist on resolving this issue on the basis of tax expenditure or no tax expenditure, I cannot for the life of me understand their position when they are advocating $4 billion of additional tax expenditures themselves.

Mr. MUSKIE. Mr. President, I ask for recognition so that I might address myself to the amendment. I have listened with interest to this colloquy which has taken place under my auspices, and I am sure that all of the points are very interesting. I would like to address myself to the amendment of the Senator from Louisiana. Undoubtedly, that will bring forth further discussion.

First, I tried to get an understanding of what the Senator had in mind by his amendment. It is not suggested by the language of the amendment, which is technical. I have listened to the Senator and I think I understand what it is he has in mind.

To put it simply, what he is offering is an amendment to my amendment. The effect of his amendment would be this: the tax reduction would be extended until the end of fiscal year 1977, provided that in the course of its consideration of the Finance Committee bill, the Senate finds a total of $2 billion in tax expenditure reform. If it were $1.95 billion, that would not be sufficient; it would have to be $2 billion on the button or more. And if we do raise that $2 billion on the button, then the tax reduction would be extended for 3 months until the end of the fiscal year.

But who is to make the decision? Under the Long amendment, the Secretary of the Treasury is to make the decision. After the enactment of the bill, whatever our own guesses might be here in the Senate or in Congress as to whether or not we had met the condition of Senator Long's amendment, only the Secretary of the Treasury's opinion would matter. Economic conditions might well change between now and then to make our estimates irrelevant, and if they are irrelevant, then we might well have acted finally on the bill making one set of assumptions about whether or not we had met the $2 billion condition, only to find we had failed by $50 million, and that the tax reduction was not extended after all.

This kind of delegation of taxing authority I do not think is something Congress is interested in.

Mr. LONG. Mr. President, will the Senator yield to me at that point?

Mr. MUSKIE. I yield to the Senator from Louisiana, provided the Senator limits himself to comment on what I have said, and lets me continue with the thrust of the rest of my observations.

Mr. LONG. Mr. President, I think we ought to understand what the amendment is. The amendment would say, 30 days after the date of enactment, the Secretary of the Treasury would have to determine whether what we do here comes within the $15.3 billion that the Budget Committee has suggested.

Mr. MUSKIE. Is that something different than what I just said?

Mr. LONG. Well, it does not leave him a long time to make the decision.

Mr. MUSKIE. Up to this point, the Senator has not disagreed with my description of the amendment. Within 30 days after the enactment of the bill, the Secretary of the Treasury would make estimates as to whether or not Congress had complied with the conditions of the Senator's amendment. Any estimates we made could be irrelevant because they might be changed by changes in economic conditions or they might be changed by provisions in the finally enacted bill which we had not taken into account. After all, this is a pretty long bill, and it is pretty tough to try to make estimates, during the course of a hectic Senate debate, of the revenue consequences of all the changes we might enact.

Before the Senate finally wraps it up, I think all of us would like to know whether or not we have enacted an extension of the tax cut for the full fiscal year. We are going to be left in doubt under the Senator's amendment until the Secretary of the Treasury tells us. And if the Secretary of the Treasury gives us an estimate with which we honestly disagree on the basis of information available to us from other sources, we will be helpless. If it turns out that we have raised only $1.95 billion, even though we believe we have raised $2.1 billion, it is the Secretary's opinion which will count. His opinion may well cut out the tax extension which we thought we were enacting into law.

That is the Senator's amendment; I have discussed it with his staff assistants

here and, if I understand it, that is the machinery. Is that wrong?

Mr. LONG. Mr. President, I would be willing to have the effect of it determined by the best judgment of the staff of the Senator's committee, after consulting with the joint committee staff. I would be willing to trust the judgment of the Senator's staff to do that, after they have both looked at the same figures. If that would make the Senator happy, we will do it that way.

Mr. MUSKIE. The Senator knows what would make me happy. What I would like is a clear-cut decision, affirming or rejecting a policy decision the Senate has already made.

The Senator delights in refering to my amendment as a new tax proposal, a Muskie budget-buster that the Senator from Maine has pulled out of his bag of goodies to offer to Senators, a proposal that they would traditionally find it hard to reject.

The Senator repeatedly refers to it in that fashion, when what he knows, I am sure, is that the Senate and Congress as a whole have already voted for this tax extension through fiscal year 1977.

Now let me get to my second point about the Senator's amendment. The Senator's amendment is built on the assumption that our revenue numbers are somehow related to tax expenditure reform.

First, and only first, our recommendation for an extension of the tax cut was made in terms of the economic requirements of the country. To make those requirements hostage, amendment by amendment by amendment, to the tax bill is to make a shambles of the budget process.

You make a decision as to what stimulus the economy requires before you consider amendments to a tax bill or amendments to appropriations. If it is appropriate to do what the Senator is proposing with his amendment in tax legislation, why not do it with every spending bill, and adjust the functional totals up or down depending upon what the mood of the Senate may be at any given moment with respect to any spending bill?

There are 13 or 14 appropriation bills and 17 budget functions. So the budget is going to be 17 yo-yos with each functional total going up and down. Because certainly, if the Senator's amendment is taken as a pattern, everyone who wants a new spending proposal considered when an appropriation bill comes before the Senate will say, "This causes no harm; we will take this decision now, and then, at the end of action on the spending bills, we will direct someone, the Director of the Budget or someone else, to take action to put it all together."

What in the world does the Senator think the Budget Committee was created to do?

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

Mr. MUSKIE. There is a reconciliation process. What the Senator wants to do is write a reconciliation process in this bill that is heavily weighted in one direction, the direction of no tax extension.

Mr. BENTSEN. Mr. President, will the Senator yield for a question?

Mr. MUSKIE. If I may finish, then I will yield.

Section 310 of the Budget Reform Act provides for the kind of reconciliation the Senator is talking about, but at the end of all the decisionmaking on spending bills and revenue measures.

What does it say?

The Committee on the Budget of each House shall report to its House a concurrent resolution on the budget which reaffirms or revises the concurrent resolution on the budget most recently agreed to with respect to the fiscal year beginning on October 1 of such year. Any such concurrent resolution on the budget shall also, to the extent necessary—

(1) specify the total amount by which—

(A) new budget authority for such fiscal year;

(B) budget authority initially provided for prior fiscal years; and

(C) new spending authority described in section 401(c)(2)(C) which is to become effective during such fiscal year,

contained in laws, bills, and resolutions within the jurisdiction of a committee, is to be changed and direct that committee to determine and recommend changes to accomplish a change of such total amount:

And this is directly relevant to the Senator's amendment:

(2) specify total amount by which revenues are to be changed and direct the committees having jurisdiction to determine and recommend changes in the revenue laws, bills, and resolutions to accomplish a change of such total amount;

So that the purpose to be served by the Senator's amendment is already served by the procedures and processes established in the Budget Reform Act, which we adopted a year and a half ago, we do not need to include it in every revenue bill and every spending measure. Indeed, if we are going to do it that way, we would be back to the kind of budgetary anarchy that we knew before we adopted the Budget Reform Act in the first instance. That is my third point.

So, to summarize, first, as I understand the scheme of the Senator's amendment, it is to leave the Senate, and Congress if the House goes along with it, in doubt as to whether or not an extension of the tax cuts through fiscal 1977 has been enacted until the Secretary of the Treasury tells us. If at that point we disagree with him as to whether or not the conditions of the Long amendment have been met, there will not be a thing we can do about it unless we want to go through the torture of enacting another revenue measure.

Second, there is a reconciliation process of the kind that is spelled out in the Senator's amendment which insures that we consider, in an orderly fashion, all of the spending and revenue decisions that have been made between the first target resolution in May and the second concurrent resolution in September. If we are to ditch all of that with this kind of ad hoc reconciliation on each bill, then indeed the budget process has gone down the drain.

Mr. LONG. Mr. President, will the Senator yield at that point?

Mr. MUSKIE. Now I yield.

Mr. LONG. Let me put this to the Senator.

When his committee provides us with a target of $15.3 billion in tax reductions and we confine ourselves to that $15.3 billion, should not the committee cooperate with those who are trying to abide by the target set by the Budget Committee and try to stay within that target? If the legislative committee is trying to do that, should not the Budget Committee cooperate in trying to stay with the targets set by the Budget Committee?

Mr. MUSKIE. May I say to the Senator that question takes us back to last Thursday, I guess, when it was first raised, and the Senator continues to persist in seeing the congressional budget consisting only of numbers on the face of the first concurrent budget resolution. He refuses to see that underlying those numbers is a rational economic policy, and fiscal policy, which cannot be expressed on the face of the resolution, but which by law is required to be stated in the committee report. That is not to say that every word in the committee report is law, as the Senator tried once to distort my description of his process.

It is to say that as to those, as a description of the policy which underlies the number that has to be taken into account and the extension, the revenue number of $17.3 billion quite clearly is based on the assumption of tax cuts through fiscal year 1977, and it was never challenged in the Chamber. Clearly it was based upon an extension of the tax cuts through fiscal 1977. Why? First, because all of the projections we received of unemployment and the growth of the economy that we took into account dictated that at least through fiscal 1977 this kind of tax stimulus was needed. Second, we were not prejudging what would be needed beyond that but having this tax extension in place at the end of fiscal 1977 makes it available for continuance into the next fiscal year or any other part thereof if the economy so required. But it is all there. The policy was stated again clearly in the conference report on the first concurrent resolution agreed to by the House of Representatives and the Senate as the underlying policy of the first concurrent resolution. I ask unanimous consent that the section of the report concerning revenues be printed in the RECORD.

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

Revenues.—The House resolution provided for Federal revenues in the amount of $363.-000 billion; and to achieve that level it provided that revenues should be decreased by $14.800 billion. The Senate resolution provided for Federal revenues in the amount of $362.4 billion; and to achieve that level it provided that revenues should be decreased by $15.3 billion.

The conference substitute provides for Federal revenues in the amount of $362.5 billion; and to achieve that level it provides that revenues should be decreased by $15.3 billion. This revenue level does not assume increased unemployment insurance taxes, but does not preclude enactment by the Congress of a possible increase in the unemployment insurance tax rate, which would

result in an increase in revenues during the fiscal year. The conference substitute assumes, as did both Houses, realization of a net $2 billion increase in revenues through tax reform.

Mr. MUSKIE. So the Senator and I simply disagree about what it is that is the budget. He says that all it is from his point of view is one number, $15.3 billion, and I am telling him it is more than that. There is only one way we can resolve——

Mr. LONG. Let us simply look at some of this. The Senator from Florida wants to do something for the aged with regard to the tax consideration provided for those people. From his point of view, and I think from mine, if we provide some help to those old people with the retired income credit, that results in the same type benefit in stimulating spending which helps to stimulate the economy that it does whether we give them $35 a head tax credit or provide some other tax revision. The effect is likewise as far as the poor is concerned. If we raise the minimum standard deduction, the money we put in the hands of the poor serves exactly the same principle if we give it to them that way—and it does so even more if we give them more by doing it a different way—than it would if we provided $35 a head tax credit.

Now the Senator is arguing that the legislative committee, whether he is talking about the Appropriations Committee on expenditures, I would assume, or the Finance Committee dealing with taxes, must do it precisely the way that the Budget Committee had in mind when it proposed its resolution to the Senate, even though after we conduct the hearing, study it, and consult all the best experts we can find, including those available from his committee staff, we conclude it might be more effectively done some other way.

I do not know the purpose or the point in having these other legislative committees if the assumption is that the Budget Committee, without a hearing, going into details, and without the months of study that the legislative committee would give to the same item, that it could be more effectively done in the public interest by doing it in a different fashion.

I am not saying that one is necessarily right and the other is wrong. All I am saying is: Assume he does have superior judgment. Assume his staff is more competent than ours. And so far I have not seen it demonstrated. Finally, assume that he has all the knowledge, superior expertise, and superior knowledge. Should not those who have the duty of making the study, conducting the hearings, and making the detailed recommendations have some discretion in the matter?

Mr. MUSKIE. I repeated this over and over again in the Chamber in the consideration of the first concurrent resolution a year ago last spring. I did it last spring. I did it in the fall each time. The Senator knows that I make no such assumption to the effect that the Budget Committee shall tell each committee precisely how to do its job. The word "precisely" is what the Senator used.

With respect to appropriations, I have made it clear over and over and over again that all we set is the overall numbers, the totals, and that the first measures to come along that reach those totals are the measures that claim the amount available, and I do not decide the order in which these measures come along. The Appropriations Committee does that.

With respect to this bill, is the Senator telling me that he thinks I am trying to tell him what to put into a document that size? The Senator knows that is not true. But it pleases him to argue as he thinks if he can frighten enough committees into believing that we are interested in moving in on them and taking over all their jurisdiction that they will support his argument.

That is not the budget process. I have never claimed that kind of jurisdiction. I do not want that kind of jurisdiction; because if one were to try to impose a budget process that rigid upon the Senate and Congress, Congress would throw it out the window in 6 months. Perhaps that is what the Senator has in mind, that if he can persuade Congress that this kind of monster was created in the budget process, he somehow can get rid of it. Perhaps that is what is in the Senator's mind, because he has resisted this process from the first day we reported the first concurrent resolution to the floor. He made it clear in the debate in the spring.

Let me make this suggestion to the Senator: If the Senator did not like the $2 billion in tax expenditures, why did he not offer an amendment to the budget resolution to change it from $15.3 billion? He was not hesitant to offer an amendment on another subject. That option was available to him.

He argued it and said it was a mistake. How could it be a mistake if it was meaningless, if the policy was meaningless? If, in fact, the budget process, after both Houses acted upon it, had not mandated extension of the tax cuts through fiscal 1977, why bother to refer to it as a mistake last spring? Why not just ignore it, as the Senator is trying to do now?

Mr. LONG. How could I offer an amendment to amend the Senator's committee report? The committee report was not legislation, to be acted upon by the Senate.

Mr. MUSKIE. I did not suggest that. I suggested changing a number on the face of the resolution, the 15.3. The 15.3 was arrived at by assuming $2 billion in tax expenditure reforms as against the $17.3 billion in revenue reductions from tax cut extensions, so if the Senator did not like the $2 billion, he could have offered an amendment to change it.

Mr. LONG. I do not know why I should offer an amendment to change it. I was happy to live with it. So far as I am concerned, $15.3 billion for tax cuts is all right. It does not say $17.3 billion; it says $15.3 billion.

Mr. MUSKIE. Did the Senator read the committee report?

Mr. LONG. The Senator asked me a question. Let me answer it.

When the Budget Committee adds $2 billion of tax increases, that is going to be hard to do. The Senator from Maine made a record, himself. He said on the floor of the Senate that if we could not propose $2 billion, we could propose a lesser amount of a tax increase.

Mr. MUSKIE. Let me comment on that. That is another myth I have listened to so often that I would like to answer it.

In that exchange, what I was affirming was the jurisdiction of the Senator from Louisiana's committee, which he now accuses me of trying to take away from him. I said then, and I say now, that the Senator can report any bill he pleases, but that does not mean he can unilaterally change the budget, any more than I can. So just because I reaffirmed the Senator's right and the jurisdiction of his committee to report a bill that did not conform, the Senator interprets that to mean that I gave him a unilateral right to amend the congressional budget. But he does not have that right. I did not have the right to give it to him.

Mr. LONG. Let us see what the Senator did say.

Mr. MUSKIE. I know what I said, and the Senator can take any sentence out of context. He has put it in the record and it is there, and I challenge his interpretation again.

Mr. LONG. Let us read what the Senator said about this issue, about the right to recommend a lesser tax cut.

Mr. MUSKIE. Just a moment, until I drag out my threadbare copy of it, so I can finish what the Senator leaves out.

Mr. LONG. The Senator will have difficulty, but that is all right. This is what was said:

Mr. PACKWOOD. If in the Finance Committee's judgment, at the end of the 2 weeks of hearings—

Actually, it was 4 weeks of hearings and 5 weeks of executive sessions.

and markups, they found it impossible to close $2 billion of loopholes, and they chose to fit within the mandate of the Budget Committee by simply reducing the tax reductions from $17 billion to $15 billion and pick up $2 billion that way?

Mr. MUSKIE. That is right. What we ask is a recommended level of Federal revenues of $362.4 billion in revenues, and we arrived at that number by assuming $2 billion possible additional revenues on tax expenditures. By the time the committee acts, the revenue picture changes. We may come up with $362.4 billion in some other fashion.

Mr. MUSKIE. May I just refer the Senator to the form of the question that was put? He has just read it. Senator PACKWOOD asked me if we found it impossible—if we found it impossible.

I can remember what I said to others who asked me about appropriations functions. As a matter of fact, I had the same kind of exchange with the Senator from Louisiana on his amendment on the income security function. I said to the Senator from Louisiana—

If you can't meet this target after trying, come back to the Senate and tell us you can't; and if you make a case why you can't, then of course it is the Senate's prerogative to listen to your report and to agree with you that it is impossible.

But the fact that it is impossible is not a judgment the Senator makes in advance. I told the Senator then, and I can remember the words:

Senator, what this budget process says to each of us is that we try.

If it does not work, then the Senate and the House are the sovereign bodies, and they take into account the recommendations and the facts and the analysis of the committees and change their minds. This whole reconciliation process that I read to the Senator is designed to meet that and to give that flexibility. If the Senator tries and he cannot do it, or if unexpected circumstances arise or things change, it is flexible enough to take it into account. So if it is impossible, and even if it is possible, the Finance Committee has the jurisdiction to report any bill it chooses. But what the Senator seems to object to on one hand and then agree to on the other is that the budgetary consequences of what he is recommending are pointed out. I am sorry if that is the case. I am not here to grab the Senator's jurisdiction. I could not do so if I tried.

However, I say to the Senator that I am going to tell the Senate what I believe Congress has said in the budget resolution and what the implications are of this legislation in terms of what it then said. If the Senate wants to change its mind, in the words of the Senator from Oregon the other day, why cannot the Senate change its mind? Of course, it can. This piece of legislation says it can. But until it does change its mind, our targets still are an extension of the tax cut through 1977. If the Senator thinks the budget does not say that, if it was none of our business to say that, he should make his case and let us vote.

Mr. LONG. Let us look at what the committee did. The committee did not find it impossible to raise $2 billion. The committee reported a bill that proposed $2.5 billion of additional taxes.

In addition, they thought we should give some consideration to the need to do something about the energy problem in this country. Some folks say inflation caused the recession. I think it was the energy crisis that contributed to the recession, and that is what most economists have reported caused the recession.

The House sent us an energy bill more than a year ago. They sent that one before they sent the tax bill. We suggested that something should be done about the energy problem, and we have some provisions in there about it. We also suggested that something should be done in other areas.

The business community has made a case—the administration agrees with them and so does the Finance Committee—that something needs to be done to help the business people to accumulate capital to build more plants, to obtain more equipment, to put people to work, and to give them some incentive to do it, in order to create more jobs and more payrolls.

The Committee on Finance so recommended. The Committee on the Budget did not buy it, I admit. The Committee on the Budget recommended, far from supporting that we held onto the $2 billion which we hoped to plow back in to stimulate business, that we reduce the amount of business tax credit of $2 billion by taking the tax increases with little or nothing to offset that. So the recommendations of the Committee on the Budget in that respect is $4 billion different from what the Committee on Finance would have suggested.

Now, there are also some provisions in there that we hoped would help to stimulate business, to help business to accumulate some capital to expand their activities, and so we recommended it.

Now, suppose we have the other provisions which the Senator was clear the Committee on the Budget did not have in mind. One of them, by the way, was the type of thing the Senator from Florida was suggesting, another the type of thing the Senator from Massachusetts (Mr. BROOKE) was suggesting, to help people insulate their homes to help solve the energy problem.

It is because we had some of those things in mind that, although we raised the $2.5 billion, we still need to cut somewhere else in this overall package in order to stay within that target figure.

Now, after we have worked so hard to stay within the target figure, I hope the Senator will not destroy that figure that his own committee set.

Mr. MUSKIE. The Senator has referred to a lot of details to which the Committee on the Budget did not address itself. On the one hand, the Senator insists that the Committee on the Budget is not entitled to act as a line item committee. I tell him that we have not. Then he proceeds to stuff details down my throat which he says we have decided, which we have not. Frankly, sometimes when I get through talking with the Senator, my head spins, because he takes me from one assumption to another and gets it all confused—the way he has in this amendment, incidentally.

Mr. LONG. Would the Senator mind explaining to me, assuming we raise the $2 billion—we did better than that, we raised $2.5 billion of taxes—how are we going to take care of anything other than these items that the Committee on the Budget had in mind, which is just an extension of the existing tax cut? How can we take care of anything to meet these other priority needs, like the needs of the aged or the need for home insulation or the need for energy conservation or the need for recycling material to save energy? How can we do anything about any of that if we are going to have to say, "All right, the $17.3 billion of existing tax cuts are sacred, we cannot do anything about that?"

Mr. MUSKIE. Let me ask the Senator a question. All the committees of the Senate together asked us to approve $440 billion in spending for fiscal 1977, cumulative—$440 billion. That included an awful lot of worthy items.

The President said, we ought to be able to get by on $395 billion. The Senator remembers that very well, because he tried to force that on us last December.

What did we recommend? We recommended $412 billion. That is $28 billion of committee recommendations that are not permitted under the ceilings we adopted.

What the Senator is saying is that it is much better to go back to the old practice, that we vote on these goodies as they come along so we do not overlook any of them. There is no point in trying in advance to set a limit on what we can afford for fear that we leave out some goodies, leave out some room for some goodies that the Senator would like to have.

Well, maybe that is the road we started to travel here with this bill. I am not going to go down that road. We have got to say no somewhere.

Let us look at how we treated appropirations and tax expenditures in the Committee on the Budget. Current policy appropriations would have been $423.4 billion. We cut that to $412 billion. That is roughly 2 to 3 percent that we cut appropriations below current levels.

Tax expenditures are $105 billion. We cut those $2 billion, which is something under 2 percent—under 2 percent. Now, tax expenditures can be viewed as the equivalent of a simultaneous collection of revenue and a direct budget outlay of an equal amount, just as are appropriations. So we treated them alike. We treated them roughly alike in terms of reducing them.

The Senator says there are a lot of other goodies he would like to buy. So could every committee chairman in the Senate come to us and say, "Senator, there are a lot of goodies we would like to buy." They can say it on every appropriations bill that comes here, and when they try that, I am going to have to stand up here and say, "Sorry, the budget resolution did not provide for it."

Mr. LONG. This committee is willing to live with that $15.3 billion. What I tried to say to the Senator and his committee, even before he decided to take action such as he thinks he should, is just assign us a figure; I do not care what the figure is.

Mr. MUSKIE. We assigned the Senator a policy.

Mr. LONG. Assign us a figure. I do not care whether it is $15.3 billion or $1 billion. Give us a figure and we will live with that. And we have. We reported in below that figure.

Now, if the Committee on Finance has its way, the Senator from Maine is not going to have to reconcile for us. We are not going to come in and ask him to do us any favors. We will pay for anything we ask to do. We will provide the funds to pay for it or we will cut down, within our area of jurisdiction, in order to pay for it. The Senator will not need to reconcile for us. That is how it has been historically with Finance Committee bills. When we report out a program, we report out the taxes to pay for it. Not only do we pay for that, we also find the money to pay for the other guy's programs, too. That is all right with us. But when the Senator assigns us a figure, and we live with the figure and he then proceeds to make war on us because we do precisely what that resolution requires us to do, which is to confine ourselves to $15.3 billion, and we did it with $300 million to spare, we should be allowed a little discretion to decide how we are going to do that and look at all the needs

that fall within our responsibility, rather than just look at some particular things the Senator might have had in mind when he assigned us a figure.

Mr. MUSKIE. We assigned the Senator from Louisiana a figure and we assigned him an economic policy. The Senator keeps referring to this as my personal property. He keeps referring to this process as though it were my personal property. It is not. This is a congressional budget adopted by both Houses. That budget includes not only a number or a series of numbers, but an economic policy.

Talking about committee jurisdictions, I heard the Senator argue, I think, or someone on his side of the issue, that one of the reasons he chopped off this tax reduction extension on July 1 was because he took a look at economic conditions and he decided he was going to change the economic policy. Well, under this budget process, the economic policy is set by the Congress as a whole, through the procedures established here. If every committee is going to write its own economic policy to justify its case for spending or revenue measures, then, again, the foundation of the budget processes is undermined.

Sure, all the Senator keeps talking about is that number.

Mr. LONG. I say to the Senator, I would like to get one thing straight, just for the record. As I understand it, the Senator's committee put in its report something we could not amend; we could not do anything about it. We are satisfied with that figure, willing to live with it. He also put in his report an assumption that we would continue the existing tax cuts, which are estimated to cost, as I recall, $17.3 billion, and that we would raise $2 billion in additional taxes to give a figure, bottom line figure, of $15.3 billion.

Now, suppose we found anything, just anything—I do not care whether it is a matter of insulating homes or a matter of trying to make energy more efficient, a matter for encouraging people to hire folks off the welfare, a matter of helping mothers to put their children in a day care center. Suppose we just found anything that we thought was more desirable than the continuation of that $17.3 billion of tax cuts of existing law. Unless we could find more than that $2 billion in tax cuts, would that mean that we should not recommend what our judgment would dictate?

Unless we could find more than $2 billion in tax cuts, would that mean then that we should not recommend what our judgment would indicate to be a better way to spend some of that money?

Mr. MUSKIE. May I say to the Senator—I have said several times this afternoon, and I have said it many times in the course of the day—any time a committee finds that it cannot live with what the budget resolution provides, any time a Senate committee reaches a conclusion, reaches a judgment, you know, that there have been changes or new problems arise that need to be brought to the attention of the Senate and Congress as a whole, they do not fit into the budget, it is the duty of that committee to come to Congress, the House or the Senate, depending upon which body it is, and report with its recommendations.

What the Senator is saying to me is that what I am talking about is not in the budget. The Senator says he could not amend it? I ask at this point——

Mr. LONG. How will I go about amending the Senator's committee report?

Mr. MUSKIE. Let me answer.

Mr. LONG. I assume the Senator is making a point of order.

Mr. MUSKIE. Let me answer. Who has the floor, Mr. President?

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

Mr. MUSKIE. I ask unanimous consent that the text of the first concurrent resolution be printed in the RECORD at this point. All Senators might profit by this.

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

Resolved by the Senate (the House of Representatives concurring), That the Congress hereby determines and declares, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1976—

(1) the recommended level of Federal revenues is $362,500,000,000, and the amount by which the aggregate level of Federal revenues should be decreased is $15,300,000,000;

(2) the appropriate level of total new budget authority is $454,200,00,00;

(3) the appropriate level of total budget outlays is $413,300,000,000;

(4) the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $50,800,000,000; and

(5) the appropriate level of the public debt is $713,100,000,000, and the amount by which the temporary statutory limit on such debt should accordingly be increased (over amounts specified in section 3(5) for the transition quarter) is $65,900,00,000.

SEC. 2. Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of the first section of this resolution, the Congress hereby determines and declares pursuant to section 301 (a)(2) of the Congressional Budget Act of 1974 that, for the fiscal year beginning on October 1, 1976, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are as follows:

(1) National Defense (050):
(A) New budget authority, $112,500,000,000.
(B) Outlays, $100,800,000,000.
(2) International Affairs (150):
(A) New budget authority, $9,100,000,000.
(B) Outlays, $6,600,000,000.
(3) General Science, Space, and Technology (250):
(A) New budget authority, $4,600,000,000.
(B) Outlays, $4,500,000,000.
(4) Natural Resources, Environment, and Energy (300):
(A) New budget authority, $17,000,000,000.
(B) Outlays, $15,700,000,000.
(5) Agriculture (350):
(A) New budget authority, $2,300,000,000.
(B) Outlays, $2,000,000,000.
(6) Commerce and Transportation (400):
(A) New budget authority, $18,200,000,000.
(B) Outlays, $17,700,000,000.
(7) Community and Regional Development (450):
(A) New budget authority, $7,400,000,000.
(B) Outlays, $7,800,000,000.
(8) Education, Training, Employment, and Social Services (500):
(A) New budget authority, $24,600,000,000.
(B) Outlays, $23,000,000,000.
(9) Health (550):
(A) New budget authority, $39,300,000,000.
(B) Outlays, $37,900,000,000.
(10) Income Security (600):
(A) New budget authority, $158,900,000,000.
(B) Outlays, $139,300,000,000.
(11) Veterans Benefits and Services (700):
(A) New budget authority, $20,100,000,000.
(B) Outlays, $19,500,000,000.
(12) Law Enforcement and Justice (750):
(A) New budget authority, $3,400,000,000.
(B) Outlays, $3,500,000,000.
(13 General Government (800):
(A) New budget authority, $3,600,000,000.
(B) Outlays, $3,500,000,000.
(14) Revenue Sharing and General Purpose Fiscal Assistance (850):
(A) New budget authority, $7,350,000,000.
(B) Outlays, $7,350,000,000.
(15) Interest (900):
(A) New budget authority, $40,400,000,000.
(B) Outlays, $40,400,000,000.
(16) Allowances:
(A) New budget authority, $2,850,000,000.
(B) Outlays, $1,150,000,000.
(17) Undistributed Offsetting Receipts (950):
(A) New budget authority,—$17,400,000,000.
(B) Outlays,—$17,400,000,000.

SEC. 3. The Congress hereby determines and declares, in the manner provided in section 310(a) of the Congressional Budget Act of 1974, that for the transition quarter beginning on July 1, 1976—

(1) the recommended level of Federal revenues is $86,000,000,000;

(2) the appropriate level of total new budget authority is $96,300,000,000;

(3) the appropriate level of total budget outlays is $102,200,000,000;

(4) the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $16,200,000,000; and

(5) the appropriate level of the public debt is $647,200,000,000 and the amount by which the temporary statutory limit on such debt should accordingly be increased is $20,200,000,000.

Mr. MUSKIE. Among other things, it provides that:

The amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $50,800,000,000;

Now, you could change that number.

The recommended level of Federal revenues is $362,500,000,000, and the amount by which the aggregate level of Federal revenues should be decreased is $15,300,000,000;

If you go to the report, you will find out how we arrive at those figures. If you do not like the $15.3 billion because it reflects a $2 billion gain in tax expenditures, any Senator can move to change that to $16.3 billion; $16.3 billion would have been more consistent with the bill that the Finance Committee reported on the floor than the $15.3 billion.

So throughout you have got just numbers, but you have every implication that what you are talking about is a budget that has an economic philosophy, an economic policy underlying it. Everything in it depends on it, social security payments, medicare payments, veterans' benefits, food stamps, unemployment compensation; all of these big spending programs depend upon the economic condition of the country.

Last year in the second concurrent resolution we had to increase spending targets by over $8 billion—by over $8

billion over the first because economic conditions were such that expenditures for the purposes I just referred to were higher than we anticipated in the spring.

So the state of the economy and what the economy requires and the burdens the economy imposes on the budget are very much a part of those numbers which seem to be the total focus of the Senator's concern in the budget resolution. I mean without an economic policy we could not write a budget.

Mr. LONG. Just let us understand this: As far as the Finance Committee is concerned, we are not asking the Senator to reconcile anything for us. We are not asking the Senator to put any more money in the bill; in fact, we are asking the Senator to leave his money out of it, because as far as we are concerned we are completely content to live with the Senator's figure, and we are completely content to ilve with the Senator's resolution.

All we would plead for with the Senate is that if our committee or any Senator can find a better way to spend any of that money, the first dollar or the last dollar, that his amendment be considered on its merits just like the Senator's, and I do not know why it should not.

There was scant consideration given to that $17.3 billion that the Senator seems to think is sacred. Now, we suggested to the Senator that it should be in there. But when we did suggest it to the Senator, we just thought that it was something that ought to be looked at. We knew we might want to make some changes in it, and if we did that, we would make them. When the $17.3 billion found its way in there, we felt, I know I did, that if anybody could find a better way to make use of that same amount of money, he ought to offer his amendment, and we ought to do it that way rather than the way it is being done at that time. That is why you have Congresses, that is why you have legislatures, to try to improve on what you are doing.

Then we proceed to look at all the possibilities of ways that the revenue could be used most effectively in the public interest, and we recommend something at variance with something that we ourselves suggested to the Senator, by the way. We suggested the $17.3 billion. I think that is how it found its way into the Senator's committee report. So having done that we then find here is one item where you can do something more effectively. For example, if somebody would give some poor welfare mother a job and take her off the welfare rolls, and take her family out of poverty and help her improve her condition, it would be better than to give money to some rich person at $35 a head. Between the two that, getting her to work, would be more worthwhile. It would help that person, and help the country more.

So I cannot, for the life of me, understand why the Senator would object if we can suggest better ways to use money within the area of our competence, our responsibility and our expertise.

Mr. MUSKIE. I do not challenge that at all, and I never have.

Mr. LONG. That is great. Now we are together.

Mr. MUSKIE. That is not the issue.

Mr. LONG. The argument has been solved. There is nothing more to argue about.

Mr. MUSKIE. All the Senator focuses on is that one little number—that $15.3 billion.

That is not a magic number to me, but the economic policy underlying it is. The Senator knows what we have been trying to do, and Congress has done pretty well with this for the last year and a half or more. What we have been trying to do is to plan for a smooth recovery, with the $15.3 billion of tax reductions spread evenly over this fiscal year, and with no abrupt changes at the end of the year. Now, that is the target.

The Finance Committee bill is full of what I would call stops and starts. The reforms raise $1 billion next year but lose money the following year. The tax reduction part keeps the $9.5 billion annual rate of reduction for 9 months of the fiscal year but then removes it for 3 months. Now, stop-and-go policy is not going to meet the needs of this economy, may I say to the Senator, with all respect.

With respect to the details of the tax cut, I have never tried to prescribe what they should be. We agreed, I think, last December, when the President wanted to tie the tax reductions to a reduction of dollar per dollar in spending, we agreed, all of us—I went down to the White House with the distinguished Senator from Louisiana and others—and we agreed that the economy required a continued extension through all of calender 1976, but we cut it back to 6 months in order to compromise with the President.

We did not think that ideal, to change the tax policy in the middle of the year, but we agreed to it in the happy spirit of compromise because we had not had our first concurrent resolution for fiscal year 1977. So we all agreed at that time although we ought to have had continuity in policy. The assumption was that we would have it because the first concurrent resolution would be decided in the spring of this year, and we were reasonably certain that it would be continued for the rest of this fiscal year and for next year we would take a look at it when this spring came, and we did.

There was no challenge to that on the floor. There was no challenge to it at all that I can recall. Even if you assumed there was no way of amending the resolution for that purpose—and I disagree with that—I think there was. But even if there was not—I mean if anybody seriously challenged the economic policy underlying the first concurrent resolution, it seems to me he had a duty to say so at that time.

But I do not recall any challenge to those underlying assumptions.

What was a challenge then was that we ought to be providing more stimulus. Indeed, many economists at the time recommended a larger tax cut continued beyond the period we provided it for.

President Ford, as the Senator knows, recommended a larger tax cut than we have recommended, but I do not recall anybody recommending less to us at that time. I think most economists at the present time recommend continuing even beyond the time we are now talking about.

Mr. BENTSEN. Will the Senator yield?

Mr. MUSKIE. Yes, I yield to the Senator.

Mr. BENTSEN. I say to the distinguished Senator, for awhile, there was agreement between two very distinguished Members of the Senate, able members of respective committees.

But I do think it is obviously a jurisdictional fight.

I note that the distinguished Senator from Maine says, as I get his words down, "There is no magic in the $15.3 billion figure."

Apparently, there is in the report. No magic in the statutory——

Mr. MUSKIE. In the policy.

Mr. BENTSEN. My concern is, very candidly, where do we draw the line when we are talking about economic policy, when we are talking about the underlying objectives for the country?

When the Senator talks about national priorities—and I understand his concern—he says they are not going to have a line-item designation. Yet we talk about a $35 figure for a tax credit, which is a line item on the tax return, and I can show it to the Senator. I do not see how we can get much more line item than that. I agree, that is a national priority and——

Mr. MUSKIE. If the Senator——

Mr. BENTSEN. I stood here for about 30 minutes trying to say just a few words so, if I might, I do not see how one can get much more line item than that.

Mr. MUSKIE. I do have the floor, let me say.

Mr. BENTSEN. With respect to the $15.3 billion figure, the Senate Finance Committee was subject to that discipline and we accepted it.

I believe that is the fiscal discipline we should have because I do not think we will ever get control of the budget unless we do that.

People lined the halls to talk to members of the Finance Committee every time we went to a Finance Committee meeting, to talk about further tax reductions, to talk about their own particular interests. We were trying to balance these out in that tax bill and finally came to the Senate with a bill that met the $15.3 billion target.

I get a little turned off with this reference to tax expenditures. That term is also appropriate to the $35 individual tax credit. Some people talk as though that money belonged to the Government that it is not the people's money, that it is the Government's money. I do not agree.

The Finance Committee was able to achieve an appropriate mix of tax increases and tax cuts to get to the $15.3 billion figure which was mandatory.

Now, as I understand what the Senator is saying, what the Senator meant in that April Senate colloquy with Senator PACKWOOD, is that we would wait

until the September Budget Resolution and that any additional balances could be arrived at after the Budget Committee had a chance to take another look at it.

But I assure the Senator, the Finance Committee worked very hard with what they thought was a directive from the Congress and the Budget Committee and a fiscal discipline that I suppose no Finance Committee ever had before. I think this was an excellent fiscal discipline to have.

I thank the distinguished chairman for giving me a chance to comment on some of the things he suggested.

The PRESIDING OFFICER (Mr. FORD). The Senator from Maine.

Mr. MUSKIE. I appreciate the Senator's comments and I apologize for the delay in recognizing him.

There are a couple of points I need to clarify.

We did not originate the tax package which became the tax reduction bill of 1975. The Budget Committee had nothing to do with the items that went into that. When we wrote the first concurrent resolution of 1975, we simply affirmed that policy.

We did not write the $35 credit. We did not make those decisions.

When we attempted, in conjunction with the chairman of the Finance Committee last December, to urge a policy of continuing those tax cuts, we were not line itemizing. We were just saying that the policy of the tax reduction we have had for a year now should be continued for another year.

When the President did not agree to that, we said that we ought to continue it for 6 months until we can look at it again.

We did not line itemize it.

In the first concurrent resolution this year, we said that we continue those tax cuts. We did not line itemize. We did not go back and second guess those who had put together the tax reduction provisions of last year at all.

If we had been line itemizing, as the Senator is under the impression that we did, I am sure that each of us on the Budget Committee might have come up with a different kind of tax reduction package. But we did not regard that as our business.

It was put in place last year. It was extended 6 months. It was attempted to be extended for a year.

We said, extend it 15 months. We were looking at the macroeconomic implications, not the line items. We were not choosing, when we recommended extension, between those tax reductions and some others that might be adopted. That is not our function.

There were provisions in that tax proposal that I could have been behind. Some of those I would have preferred. We did not get involved in that.

So I want to make it clear to the Senator, we never line item that tax reduction package. We took what was in place and for macroeconomic reasons urged its extension. And that is all we did.

So with respect to the makeup, if the Senate should decide it ought to be some other makeup—which seems to me unwarranted frankly, for another 3 months. It seems to me, talking about 3 months, that we should leave in place what is in place and take a look at the next fiscal period, when we come up to the next concurrent resolution, or when we come to the second concurrent resolution for the year.

But honestly, we are not line itemizing that tax bill. We were not blessing those items, because we did not consider it in that way.

I just want the Senator to know that because it happens to be the fact.

Mr. ALLEN. Will the Senator yield for a question?

Mr. MUSKIE. Yes.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. ALLEN. What disturbs me, I will say to the distinguished Senator from Maine, is that apparently the budget resolution called for an extension of the tax cuts for 15 months instead of 12 months proposed by the committee, and it directed the committee to raise, or said it should raise, $2 billion in tax reform.

Is that not correct?

Mr. MUSKIE. Because there have been statements, I want to try to persuade the Senator precisely.

Mr. ALLEN. Yes.

Mr. MUSKIE. We set a target.

Mr. ALLEN. Yes.

Mr. MUSKIE. We believe, like a spending target, that that should be treated as a serious matter.

Mr. ALLEN. Yes.

Mr. MUSKIE. But my colloquy with Senator PACKWOOD in response to a question, whether or not if they found it impossible to hit that target——

Mr. ALLEN. I understand, but that they have a target of $2 billion.

It would seem to the Senator from Alabama that this mandate that they extend the tax cuts preempted the role of the committee almost entirely in that they were supposed to have a target of $2 billion in tax reform, and to use $1.7 billion or $1.8 billion in extending the tax cut leaving practically no area of operation for the committee. That is what disturbs the Senator from Alabama. For the Budget Committee to say that we are going to use some 90 percent of the $2 billion target in increased revenue through tax reform to extend the tax credit left the Finance Committee practically no field of operation in coming back with a true tax reform bill. It confined it 90 percent of the way to an extension of a tax cut for 15 months instead of 12 months. Is that not correct?

Mr. MUSKIE. I do not agree with the Senator. It is in the same area of operations as other committees when we have set spending totals. I have said over and over that on the request of $140 billion we cut it back to $412 billion. That reduces the operation of every committee. The spending committees spelled out in their reports to us on March 15 how much they thought could be justified. We cut them back $28 billion. We cut back, if that is a phrase that means anything, on every committee, not just the Finance Committee. How else does one budget? If we are going to give them a blank check, we have no budget process.

May I say in addition if the Senator will read section 301 of title II of the congressional budget process, he will find that we are given this jurisdiction.

Mr. ALLEN. I understand that, but the point the Senator from Alabama is seeking to make is that they told the committee to go out and make this determination but they used $1.8 billion of that for extending the tax credit leaving the field of operation of only $200 million or $300 million for further tax reduction. I would like for the Senator to explain that that is not correct.

Mr. MUSKIE. The total tax reduction for fiscal 1977 was $17.3 billion. That included what I have in my amendment. That was through fiscal year 1977. Beyond that we ask that $2 billion be raised in tax expenditure reductions, which is 2 percent tax expenditures. The reduction we made in appropriations was between 2 and 3 percent of direct spending. So we were being evenhanded across the board.

Mr. ALLEN. But the Senator says to make room for this $1.8 billion in tax extensions out of this $2 billion.

Mr. MUSKIE. No, the extension is $17.3 billion.

Mr. ALLEN. I understand, but we tell them to raise only $2 billion in additional taxes. The $17.3 billion is in tax reductions. The Senator says to raise $2 billion but use $1.8 billion of that in extending the tax cuts. That is the long and short of it.

Mr. MUSKIE. I am afraid I cannot follow the logic of the very last statement. We recommended an extension of tax cuts, which have been on the books since April of 1975, until the end of fiscal year 1977. For the period covered it would be $17.3 billion. The tax expenditure reform is a way to reduce the deficit. We need the $17.3 billion, we concluded, as a stimulus to the economy. It worked last year. It is widely credited with turning the economy around. We said let us not have a tax increase, which would be the effect of terminating the tax reduction. The economy could not stand a general across-the-board tax increase. We wanted to keep the deficit down. We thought that $2 billion out of $105 billion in tax expenditure was a reasonable target to find what would be considered low priority tax expenditures. They are not of general benefit.

Mr. ALLEN. The committee followed all of the recommendations except the last 3 months, is that not correct?

Mr. MUSKIE. That is right.

Mr. ALLEN. They changed it from 12 months to 15 months.

Mr. MUSKIE. It has more serious implications than that, may I say to the Senator. If we terminate as of July 1, and if we find as of July 1 we need the continued stimulus, it is a little difficult and a little late to reenact it for 3 months. We would have to do it for a longer period than that, I would think, to justify it. Certainly in tax law that is an important advantage.

Mr. ALLEN. The committee lived up to the committee's recommendation on

the dollars figure, the $15.3 billion, is that not correct?

Mr. MUSKIE. They have $14.5 billion in the reported bill, and I think they approved subsequent amendments which have not yet been made part of the bill.

Mr. ALLEN. They did not have quite as much of a tax reduction as the Senator would call for.

Mr. MUSKIE. That is not my problem. My problem is, the effect of the bill is to gut the tax policy which the Congress put in place a year ago last spring as its major policy initiative to turn this economy around. It is our responsibility, as I read the law, as the Budget Committee, to give budget policy to the needs of this economy.

This was a central policy last year. It is not less important this year nor will it be less important next year. After July 1, after the Congress as a whole has accepted a budget which continued through fiscal 1977, thus making it available beyond that date if we wanted it, I think is a decision to be made with full appreciation of what is invloved. That policy was very clear.

Mr. ALLEN. Do I understand the Senator to say that because the committee extended the tax cuts for 12 months instead of 15 months it gutted the recommendations of the Budget Committee?

Mr. MUSKIE. I did not mean to use the word gutting. I meant it is inconsistent. It is a different policy. It is a new policy.

Mr. ALLEN. It is a changed policy.

Mr. MUSKIE. It is a changed policy if the Congress as a whole approves it.

Mr. ALLEN. The mere fact that it did not extend the tax cuts for 15 months and instead extended them for 12 months changed the tax policy, is that what the Senator is saying?

Mr. MUSKIE. It changes it not only for the 15 months but changed it or set the momentum of policy in the opposite direction for the period beyond that. I cannot see ending it as of July 1 if we decide on July 10 it should be continued for the 3 months and beyond. We have interrupted the policy. That is not in the public interest. So it is more than the 3 months, may I say to the Senator. If the Senator will look at the President's budget last year, the President's budget this year, if he will look at the congressional budget reports for last year and this year, he will find unemployment above 6 percent projected for 3 to 4 years into the future. Hopefully, it will not materialize but with all of this judgment that we are going to have this problem for not just until July 1, 1977, but beyond, we just think we need continuous policy moving in the same direction, consistent with the policy we have had for a year, to be sure that we continue to climb out of this recession. We still have a recession. With just under 7-percent unemployment we are very much in a recession.

Mr. ALLEN. If the Senator's amendment is adopted, then the Senate, in order to keep the balance, is either going to have to impose $1.8 billion in additional taxes——

Mr. MUSKIE. One billion dollars.

Mr. ALLEN. On account of the fact that the Senate did not use up all of the tax deduction; is that correct?

It will have to impose $1 billion more in additional taxes or take from the committee bill some of the tax reductions that it did put in place, is that correct?

Mr. MUSKIE. I would assume so. And one other option, may I say to the Senator.

Mr. ALLEN. I wanted to ask the Senator one further question.

Mr. MUSKIE. Let me state this other option first, because I am not sure the Senator completely understood.

Mr. ALLEN. Go ahead.

Mr. MUSKIE. The Budget Act anticipates the possibility that there will be a number of decisions between the first targets in the spring and the final resolution in the fall—spending decisions, revenue decisions, and so on—and it provides that in September, after the passage of the last appropriation bill, the Budget Committee will look at the total cumulative result of all the changes that have been made, and prepare a new resolution, which could result in a recommendation for more taxes or a recommendation for cuts somewhere else. If there have been increases in unanticipated spending areas, or the deficit has been larger than anticipated in the spring, all of those options are available.

Part of our function as a Budget Committee is to tag these possible consequences along the line, and the discipline is one that we impose on ourselves. If we do not tag these possible consequences, so that Senators can be aware of them, you know, the discipline is gone.

Mr. ALLEN. Suppose the Senate—and we have already had one test vote on the Nelson amendment—refuses to add $1 billion in additional taxes, or it refuses to take from the bill some of the tax reductions that the committee stipulated. What would the shape of the bill be then?

Mr. MUSKIE. That, of course, is the prerogative of the Senate and the Congress as a whole, and if that is the decision that is made, and the President signs it into law, then that is a change in congressional policy that will have to be taken into account in September.

Mr. ALLEN. Would that not be contrary to the Budget Committee's recommendation?

Mr. MUSKIE. It would be.

Mr. ALLEN. And would be out of order for that reason?

Mr. MUSIKE. No, it is not out of order. It is not out of order until put in place—that is, it is not subject to a point of order, I should say—it is not subject to a point of order until the second concurrent resolution is adopted. That is, it is not subject to a point of order after the first concurrent resolution, where after the second concurrent resolution it would be subject to a point of order.

The first concurrent resolution sets targets. When I say this bill is inconsistent with the first concurrent resolution, it is not to say that I have a point of order that I can raise against it, because I do not. All I can do is chatter and tell the Senate that is my judgment. If the Senate says "Accepting the fact"—and this is the healthy basis on which it ought to be done—"that this is inconsistent with the first concurrent resolution, nevertheless we as a Senate have changed our minds and we are going to accept the proposal," the Senate has that option.

Mr. ALLEN. If we add $1.8 billion to the first concurrent resolution—some say $1.7 billion—would we not be running the risk of making a Christmas tree out of this bill and instead of ending up with $15.3 billion in tax reductions we might end up with $18 billion or more in tax reductions?

Mr. MUSKIE. Not if the budget process becomes what the Senator from Alabama and the Senator from Maine would like it to be.

This $17.3 billion is in the budget. The Senate certainly has the prerogative to change it, but it is in the budget now, and it should not be regarded as an addition to it. It is in the budget.

Mr. ALLEN. I will say to the Senator from Maine, if the tax reduction exceeded the $15.3 billion at the time of final passage, if it exceeds the $15.3 billion as shown on the board there as the net revenue loss, in keeping with the recommendations of the Budget Committee, it would seem that it would not be out of order to vote against such a bill, in keeping with the budget resolution. Is that correct?

Mr. MUSKIE. It is in order for any Senator to vote any way he wants to, but I think I would say to the Senator from Alabama (Mr. ALLEN) or the Senator from Maine (Mr. MUSKIE), "If you were to vote that way at this point, you are changing your mind about the first concurrent resolution, and whatever discipline the budget resolution has over revenues is gone. You may not want the budget resolution to have any discipline over revenues. If not, that is your prerogative; but it is so easy to break it on revenues, and once we get in the habit of breaking it, we are going to break it on spending."

Mr. ALLEN. As I understand the Senator's amendment, then, this amendment would sop up, you might say, some $700 or $800 million in tax reductions that the committee did not put into place, and it would make it necessary to levy an additional billion dollars in taxes, or to reduce by a billion dollars the tax reductions made by the committee bill. Is that correct?

Mr. MUSKIE. Yes.

Mr. ALLEN. I thank the Senator.

Mr. MUSKIE. Let me put it in one final form, myself, and then I am going to yield the floor.

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

Mr. MUSKIE. No.

Mr. LONG. Will the Senator yield for a question?

Mr. MUSKIE. If I may respond first. To those Senators who have already made up their minds about how they are going to vote—and I suspect that is all of us—it has mystified me a little bit about why we cannot get to a vote, but if all Senators have made up their minds and they have individually decided not to support the first concurrent resolution, if they decide to vote for the com-

mittee bill, that is their prerogative; but I am going to tell them that by voting that way, they are not supporting the budget targets of the spring. If the majority of the Senate votes against the policy adopted just a month ago, then I will say to the Senator from Alabama, changing our minds that quickly is going to become an awfully easy habit to indulge in, and once we have indulged in it with respect to this subject, we can do it with respect to others.

The Senator knows—he was on the floor, I think, most of the time when we debated the first concurrent resolution and the eight amendments, I think, that were offered—that a lot of those amendments I favored, but I thought it was most important to establish the discipline, and I held back on my preferences, and the Senator from Alabama did as well.

I am not going to make it a point of personal privilege with any Senator who might differ with me on this amendment, and I certainly do not find it easy to have myself challenged as an intruder on other committees' jurisdiction, or as attempting to bludgeon the Senate or grasping for power. I do not find that particularly pleasant. But all I can do is call this as I see it, and what I am trying to do with this amendment at this point, and the reason why I am trying to do it at this point, is to either reaffirm the policy of the first concurrent resolution before we get into these other amendments, or reject it.

It seems to me this is the logical place to do it. Either we reaffirm it or we reject it. If we reaffirm it, then, as the Senator has so clearly pointed out, we have a burden to carry with the rest of the bill. If we reject it, then I suspect that will mean that all of these proposals on tax expenditures will go down the drain.

This is the pressure point, and I think it is the logical point at which the Senate ought to make the decision.

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

Mr. ALLEN. Let me say that I think the Senator from Maine has discharged his responsibility in a highly responsible manner.

Mr. MUSKIE. I thank my good friend from Alabama.

Mr. LONG. Will the Senator yield?

Mr. MUSKIE. I yield.

Mr. LONG. The Senator knows that business conditions change. We have a bill before us that was reported to the Senate almost 6 weeks after that budget resolution, or at least a full month after the budget resolution. We have, since that time, been favored by information about the way the economy is moving which indicates that things are coming along very well.

For example, here is a story, and I ask unanimous consent that it be printed in the RECORD at this point, entitled "Profits, GNP in Quarter Topped Earlier Estimates."

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

PROFITS, GNP IN QUARTER TOPPED EARLIER ESTIMATES

WASHINGTON.—Corporate profits and the gross national product posted even better first quarter gains than previously estimated, revised Commerce Department figures show.

After-tax corporate profits rose 7.3%, or at a $5.8 billion annual rate, in the first quarter to a seasonally adjusted annual rate of $85.7 billion, according to the latest report. Initially, they were estimated to have jumped 6.3% or at a $4.4 billion rate, to a seasonally adjusted $84.3 billion yearly pace.

Total output of goods and services, adjusted for inflation, grew at an 8.7% annual rate in the first quarter. Previous estimates had put the growth rate for "real" GNP at 7.5% and later 8.5%.

Prices rose at a 3.6% annual rate in the first quarter as measured by the GNP price index, considered the broadest gauge of inflation. Previously the estimate was 3.5%.

Mr. LONG. So, when conditions change for the better, why should not the Senate, in acting on a major bill as this, take into account the fact that conditions have changed for the better. They are continuing to change for the better. Why cannot the Senate, after having voted for a budget resolution, come along 6 weeks later or perhaps even several months later and vote to say that we will have a somewhat different mix of tax items than the Budget Committee had in mind, because at this point we know more than we knew then?

Mr. MUSKIE. I shall make two points:

First, the cumulative evidence we receive, and we receive it on a continuing basis, is that the economy has not improved all that much that we can assume we will be at full employment on October 1, 1977.

Second, if economic policy which underlies the budget is to be changed this is a change to be made by Congress in accordance with procedures set up in the Budget Reform Act and not by each committee justifying its own programs by writing its own economic policy.

I believe the Senator from Massachusetts had asked me to yield.

Mr. KENNEDY. I simply wished to ask the chairman of the Budget Committee a question, after stating my observation.

There has been a great deal said during the debate and the discussion, about how we reached the various figures that we have established in the budget resolution and in the recommendation for the reduction of tax expenditures.

As I understand it, the current policy budget would have been about $420 billion, and the budget resolution asked a 2-percent reduction, which brought spending down to $412 billion approximately. We recognized, as well, that we have approximately $106 billion worth of tax expenditures. We also asked a 2-percent reduction in tax expenditures. Proportionally, we asked the same percentage reduction in both direct expenditures and tax expenditures.

So, beyond the other reasons and justifications which the Senator has given in terms of economic implications, it seems to me that is a reasonably fair and evenhanded rule of thumb in terms of what was attempted to be achieved in cutting spending. The same burden was placed by the budget resolution in both of these areas. I thought it was a point that was useful to consider when we were listening to the debate in recent days over how we came up with the 2-percent figure on tax expenditures. It seems to me there is some basis for logic in this calculation, which I think needs to be underlined. Is that correct?

Mr. MUSKIE. The Senator is correct. I think that is a point that ought to be emphasized.

I yield at this point to my good friend from Oklahoma, who joined me on the present amendment.

Mr. BELLMON. Mr. President, I thank the distinguished Senator from Maine, the chairman of the Budget Committee, for yielding.

I have listened with great interest to the debate this afternoon. We have been debating this issue now for several days, and, in my opinion, it is time to settle the matter. The issue is well understood by Members of the Senate. Many have been in the Chamber for much of the debate.

Without trying to go into the merits of the Long proposal, I simply feel that we have spent enough time on it, it is understood, and further debate would seem to serve no constructive purpose.

So, Mr. President, I move to table the Long amendment, 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.

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

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

The question is on agreeing to the motion to table. 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 Idaho (Mr. CHURCH), the Senator from Utah (Mr. MOSS), and the Senator from Delaware (Mr. BIDEN), are necessarily absent.

I also announce that the Senator from Missouri (Mr. SYMINGTON) and the Senator from Indiana (Mr. BAYH) are absent because of illness.

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

Mr. GRIFFIN. I announce that the Senator from New Mexico (Mr. DOMENICI), and the Senator from Arizona (Mr. GOLDWATER) are necessarily absent.

I further announce that the Senator from New York (Mr. BUCKLEY) is absent due to illness.

The result was announced—yeas 39, nays 53, as follows:

[Rollcall Vote No. 310 Leg.]

YEAS—39

Abourezk	Ford	Jackson
Beall	Glenn	Javits
Bellmon	Hart, Gary	Kennedy
Brooke	Hart, Philip A.	Leahy
Case	Hartke	Mansfield
Chiles	Haskell	Mathias
Clark	Hathaway	McGovern
Cranston	Hollings	Mondale
Culver	Huddleston	Muskie
Eagleton	Humphrey	Nelson

Pastore	Schweiker	Taft
Pell	Stafford	Tunney
Proxmire	Stevenson	Williams

NAYS—53

Allen	Griffin	Pearson
Baker	Hansen	Percy
Bartlett	Hatfield	Randolph
Bentsen	Helms	Ribicoff
Brock	Hruska	Roth
Bumpers	Inouye	Scott, Hugh
Burdick	Johnston	Scott, William L.
Byrd, Harry F., Jr.	Laxalt	Sparkman
Byrd, Robert C.	Long	Stennis
Cannon	Magnuson	Stevens
Curtis	McClellan	Stone
Dole	McClure	Talmadge
Durkin	McGee	Thurmond
Eastland	McIntyre	Tower
Fannin	Metcalf	Weicker
Fong	Montoya	Young
Garn	Morgan	
Gravel	Nunn	
	Packwood	

NOT VOTING—8

Bayh	Church	Moss
Biden	Domenici	Symington
Buckley	Goldwater	

So Mr. BELLMON's motion to lay on the table was rejected.

Mr. LONG. Mr. President, I move to reconsider the vote by which the motion to lay on the table was rejected.

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

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

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 64

Mr. BELLMON. Mr. President, I have an unprinted amendment at the desk and ask that it be stated.

The PRESIDING OFFICER (Mr. HASKELL). The clerk will state the amendment.

The legislative clerk read as follows:

The Senator from Oklahoma (Mr. BELLMON) proposes an unprinted amendment No. 64:

On page 40, after line 16, insert the following:

TITLE I-A—EXTENSIONS OF INDIVIDUAL INCOME TAX REDUCTIONS

SEC. 1. Congress, having adopted a First Concurrent Resolution for fiscal year 1977, pursuant to the Congressional Budget Act, hereby determines to extend certain individual income tax reductions for the fiscal year 1977.

UP AMENDMENT NO. 65

Mr. MUSKIE. Mr. President, I send an amendment to the amendment of the Senator from Oklahoma to the desk and ask that it be stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk read as follows:

The Senator from Maine (Mr. MUSKIE) proposes an unprinted amendment No. 65 to the amendment of Mr. Bellmon No. 64.

Mr. MUSKIE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Is there objection?

Mr. PACKWOOD. Object.

The PRESIDING OFFICER. Objection is heard.

The clerk will continue reading the amendment.

Mr. LONG addressed the Chair.

The PRESIDING OFFICER. Will the Senator suspend. There was objection to the dispensing with the reading of the amendment and, therefore, the clerk will have to report the amendment and will continue reading the amendment.

Mr. PACKWOOD. Mr. President, I made objection because I could not hear. I wanted to get the Chair's attention. Reserving the right to object, I simply did not get the attention of the Chair to hear what was going on. What was this?

The PRESIDING OFFICER. The unanimous-consent request was to dispense with the reading of the unprinted amendment sent to the desk by the Senator from Maine amending an amendment of the Senator from Oklahoma.

Mr. PACKWOOD. I still reserve the right to object. This is an amendment to the BELLMON amendment?

The PRESIDING OFFICER. Correct.

Mr. PACKWOOD. What is the Bellmon amendment an amendment to?

The PRESIDING OFFICER. The Bellmon amendment is an amendment to the original text proposed to be stricken.

Mr. PACKWOOD. The original House text?

The PRESIDING OFFICER. The Senator is correct.

Is there objection to dispensing with the reading of the amendment of the Senator from Maine?

Mr. LONG. Mr. President, how long is the amendment? If it is not too long I would like to hear it read. How long is it?

Mr. MUSKIE. Not long.

The PRESIDING OFFICER. The amendment is approximately 10 pages.

Mr. LONG. I am not going to ask that it be read.

The PRESIDING OFFICER. Is there objection to dispensing with the reading of the amendment of the Senator from Maine? Hearing none, it is so ordered, and the clerk will not read the amendment.

The amendment is as follows:

(1) IN GENERAL.—Subsection (a) of section 42 (relating to taxable income credit) is amended to read as follows:

"(a) GENERAL RULE.—

"(1) In the case of an individual, there is allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the greater of—

"(A) 2 percent of so much of the taxpayer's taxable income for the taxable year as does not exceed $9,000, or

"(B) $35 multiplied by each exemption for which the taxpayer is entitled to a deduction for the taxable year under subsection (b) or (e) of section 151."

"(2) NINE-MONTH RULE FOR 1977—Notwithstanding the provisions of paragraph (1), in the case of taxable years ending after December 31, 1976 and before January 1, 1978, the percentage '1.5 percent' shall be substituted for the percentage '2 percent' in subparagraph (A) of such paragraph and the amount '$26.25', shall be substituted for the amount '$35' in subparagraph (B) of such paragraph.".

(3) TECHNICAL AMENDMENTS.—

(A) Section 56(a)(2) (relating to imposition of minimum tax), as in effect on the day before the date of the enactment of the Tax Reduction Act of 1975, is amended by striking out "and" at the end of clause (iv), by striking out "; and" at the end of clause (v) and inserting in lieu thereof ", and", and by inserting after clause (v) the following new clause:

"(vi) section 42 (relating to taxable income credit); and".

(B) Section 56(c)(1) (relating to tax carryovers), as in effect on the day before the date of enactment of the Tax Reduction Act of 1975, is amended by striking out "and" at the end of subparagraph (D), by striking out "exceed" at the end of subparagraph (E) and inserting in lieu thereof "and", and by inserting after subparagraph (E) the following new subparagraph:

"(F) section 42 (relating to taxable income credit), exceed".

(C) Section 6096(b) (relating to designation of income tax payments to Presidential Election Campaign Fund), as in effect on the day before the date of enactment of the Tax Reduction Act of 1975, is amended by striking out "and 41" and inserting in lieu thereof "41, and 42".

(3) CLERICAL AMENDMENT.—The table of sections for subpart A of part IV of subchapter A of chapter 1, as in effect on the day before the date of enactment of the Tax Reduction Act of 1975, is amended by striking out the item relating to section 42 and inserting in lieu thereof the following:

"SEC. 42. Taxable income credit.".

(b) STANDARD DEDUCTION.—

(1) LOW INCOME ALLOWANCE.—Subsection (c) of section 141 (relating to low income allowance) is amended to read as follows:

"(c) LOW INCOME ALLOWANCE.—The low income allowance is—

"(1) $2,100 in the case of—

"(A) a joint return under section 6013, or

"(B) a surviving spouse (as defined in section 2(a)),

"(2) $1,700 in the case of an individual who is not married and who is not a surviving spouse (as so defined), or

"(3) $1,050 in the case of a married individual filing a separate return."

(2) PERCENTAGE STANDARD DEDUCTION.—Subsection (b) of section 141 (relating to percentage standard deduction) is amended to read as follows:

"(b) PERCENTAGE STANDARD DEDUCTION.—The percentage standard deduction is an amount equal to 16 percent of adjusted gross income, but not more than—

"(1) $2,800 in the case of—

"(A) a joint return under section 6013, or

"(B) a surviving spouse (as defined in section 2(a)).

"(2) $2,400 in the case of an individual who is not married and who is not a surviving spouse (as so defined), or

"(3) $1,400 in the case of a married individual filing a separate return.".

(3) TECHNICAL AMENDMENTS.—

(A) Subsection (a) of section 3402 (relating to income tax collected at source) is amended to read as follows:

"(a) REQUIREMENT OF WITHHOLDING.—Except as otherwise provided in this section, every employer making payment of wages shall deduct and withhold upon such wages a tax determined in accordance with tables prescribed by the Secretary."

Until September 30, 1977, the tables so prescribed shall be the same as the tables in effect on June 18, 1976. With respect to wages paid after September 30, 1977, the Secretary shall prescribe new tables which are the same as the tables in effect on January 1, 1975, but modified to the extent necessary to reflect the amendments made by section 101(b) of the Tax Reform Act of 1976.

"For purposes of applying such tables, the term 'the amount of wages' means the amount by which the wages exceed the number of withholding exemptions claimed, multiplied by the amount of one such exemption as shown in the table in subsection (b)(1).".

(B) Paragraph (6) of section 3402(c) (relating to wage bracket withholding), as such paragraph existed on the day before the date of enactment of the Tax Reducation Act of 1975, is amended by striking out "table 7

contained in subsection (a)" and inserting in lieu thereof "the table for an annual payroll period prescribed pursuant to subsection (a)".

(C) Subparagraph (B) of section 3402(m)(1) (relating to withholding allowance based on itemized deduction) is amended to read as follows:

"(b) an amount equal to the lesser of (i) 16 percent of his estimated wages, or (ii) $2,800 ($2,400 in the case of an individual who is not married (within the meaning of section 143) and who is not a surviving spouse (as defined in section 2(a))).".

(D) So much of paragraph (1) of section 6012(a) (relating to persons required to make returns of income) as precedes subparagraph (C) thereof is amended to read as follows:

"(1)(A) Every individual having for the taxable year a gross income of $750 or more, except that a return shall not be required of an individual (other than an individual referred to in section 142(b))—

"(i) who is not married (determined by applying section 143), is not a surviving spouse (as defined in section 2(a)), and for the taxable year has a gross income of less than $2,450,

"(ii) who is a surviving spouse (as so defined) and for the taxable year has a gross income of less than $2,850, or

"(iii) who is entitled to make a joint return under section 6013 and whose gross income, when combined with the gross income of his spouse, is, for the taxable year, less than $3,600 but only if such individual and his spouse, at the close of the taxable year, had the same household as their home. Clause (iii) shall not apply if for the taxable year such spouse makes a separate return or any other taxpayer is entitled to an exemption for such spouse under section 151(e).

"(B) The amount specified in clause (i) or (ii) of subparagraph (A) shall be increased by $750 in the case of an individual entitled to an additional personal exemption under section 151(c)(1), and the amount specified in clause (iii) of subparagraph (A) shall be increased by $750 for each additional personal exemption to which the individual or his spouse is entitled under section 151(c);".

(c) EARNED INCOME CREDIT.—

(1) IN GENERAL.—Subsections (a) and (b) of section 43 (relating to earned income credit) are amended to read as follows:

"(a) ALLOWANCE OF CREDIT.—In the case of an eligible individual, there is allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 10 percent of so much of the earned income for the taxable year as does not exceed $4,000.

"(b) LIMITATION.—The amount of the credit allowable to a taxpayer under subsection (a) for any taxable year shall be reduced (but not below zero) by an amount equal to 10 percent of so much of the adjusted gross income (or, if greater, the earned income) of the taxpayer for the taxable year as exceeds $4,000.".

(2) ELIGIBLE INDIVIDUAL.—Section 43(c)(1)(A) is amended by striking out "with respect to whom he is entitled to claim a deduction under" and inserting in lieu thereof the following: "if such child meets the requirements of".

(3) CONFORMING AMENDMENT.—Section 209(b) of the Tax Reduction Act of 1975 is amended by striking out ", and before January 1, 1977." and inserting in lieu thereof a period.

(d) EFFECTIVE DATES.—The amendments made by subsection (a) apply to taxable years ending after December 31, 1975. The amendments made by subsection (b) apply to taxable years ending after December 31, 1975. The amendment made by subsection (c) takes effect on the date of enactment of this Act.

(e) REFUNDS OF EARNED INCOME CREDIT DISREGARDED IN THE ADMINISTRATION OF FEDERAL PROGRAMS AND FEDERALLY ASSISTED PROGRAMS.—

(1) Subsection (d) of section 2 of the Revenue Adjustment Act of 1975 is amended by striking out "or any month thereafter which begins prior to July 1, 1976,".

(2) Subsection (g) of section 2 of such act is amended to read as follows:

"(g) EFFECTIVE DATES.—The amendments made by this section (other than by subsection (d)) apply to taxable years ending after December 31, 1975, and before January 1, 1977. Subsection (d) applies to taxable years ending after December 31, 1975.".

Mr. MUSKIE and Mr. LONG addressed the Chair.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. LONG. I am informed that the same problem which existed with regard to the Roth amendment may also exist with regard to the Bellmon amendment. Under section 306 of the Budget Act, the point made by Mr. MUSKIE may very well apply to the point made to the amendment offered by Mr. BELLMON.

I would like to ask the Chair if there is a budget problem involved in the Bellmon amendment; that is, a problem involved in section 306 of the Budget Act in the Bellmon amendment.

The PRESIDING OFFICER. The Chair is prepared to rule, if a point of order is made, but will not give an advisory opinion.

Mr. LONG. Then I make the point of order that the amendment violates section 306 of the Budget Act.

Mr. MUSKIE addressed the Chair.

The PRESIDING OFFICER. The Senator addressed his point of order to the Bellmon amendment, am I correct?

Mr. LONG. Yes.

I have not had a chance to read the Muskie amendment; I am talking about the Bellmon amendment.

The PRESIDING OFFICER. The Bellmon amendment is susceptible to the point of order under section 306 of the Budget Act and the point of order is sustained.

Mr. MUSKIE. Mr. President, a point of order.

The PRESIDING OFFICER. Would the Senator repeat his statement?

Mr. MUSKIE. I would like to appeal that ruling on the point of order.

The PRESIDING OFFICER. He appeals the ruling of the Chair?

The question——

Mr. MUSKIE. The appeal.

Mr. LONG. Mr. President, is that debatable?

The PRESIDING OFFICER. That appeal taken by the Senator from Maine is debatable.

Mr. LONG. Mr. President, I know the difficulties——

Mr. MUSKIE. I sought recognition. I thought I received recognition.

Mr. LONG. I asked the question.

Mr. PASTORE. Regular order, Mr. President.

Mr. LONG. Mr. President, I ask the Chair to ask the reporter to read just what happened because I am satisfied I had the floor.

The PRESIDING OFFICER. I think that is the only way.

The Official Reporter of Debates (Mrs. Eleanor R. Ross) read as follows:

The PRESIDING OFFICER. The Chair is prepared to rule if a point of order is made, but will not give advisory opinion.

Mr. LONG. Then I make the point of order that the amendment violates section 306 of the Budget Act.

Mr. MUSKIE addressed the Chair.

The PRESIDING OFFICER. The Senator addressed his point of order to the Bellmon amendment, am I correct?

Mr. LONG. Yes.

I have not had a chance to read the Muskie amendment, I am talking about the Bellmon amendment.

The PRESIDING OFFICER. The Bellmon amendment is susceptible to the point of order and the point of order is sustained.

Mr. MUSKIE. Mr. President, a point of order. Is the appeal made?

The PRESIDING OFFICER. Would the Senator repeat his statement?

Mr. MUSKIE. I would like to appeal that ruling on the point of order.

The PRESIDING OFFICER. He appeals the ruling of the Chair?

The question——

Mr. MUSKIE. The appeal.

Mr. LONG. Mr. President, is that debatable?

The PRESIDING OFFICER. That motion of the Senator from Maine is debatable.

Mr. LONG. Mr. President, I know the difficulties——

Mr. MUSKIE. I sought recognition. I thought I received recognition.

Mr. LONG. I asked the question.

Mr. PASTORE. Regular order, Mr. President.

The PRESIDING OFFICER. The Chair would rule the Senator from Maine has the floor.

Mr. MUSKIE. I thank the Chair.

Mr. President, on the ruling, let me read section 306. First, let me read the Bellmon amendment, at least the opening phrases:

Congress having adopted a budget resolution that hereby extends the tax cut.

Mr. BUMPERS. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order. Senators please take their seats.

Mr. MUSKIE. The Bellman amendment reads as follows:

Congress having adopted a budget resolution that hereby extends the tax cut.

Then it continues about the language.

I submit that the subject of that amendment is the tax cut which Senator LONG has been asserting since last Wednesday is the jurisdiction of his committee, and I have not challenged it. What does section 306 say?

No bill or resolution and no amendment to any bill or resolution dealing with any matter which is within the jurisdiction of the Committee on the Budget.

This is not a matter within the jurisdiction of the Committee on the Budget. The tax cut is within the jurisdiction of the Finance Committee. How then can it be subject to a point of order, a point of order calling on section 306 of the Budget Act?

I find the ruling incomprehensible. I will tell the Senators the purpose of this series of amendments. The purpose is to enable the Senate to vote on the extension of the tax cuts unencumbered by a Long amendment which has been de-

bated all afternoon with very sparse attendance, which has consequences which most Senators, I do not believe, have had a chance to consider.

We can debate those consequences in connection with the amendments that the Senator from Oklahoma and I have offered the option of voting for the Muskie amendment unencumbered by the Long amendment and, in the process, be educated on both, conceivably.

But the point of order is simply this: The purpose of section 306 is to insure that the budget resolution and related matters go to the Committee on the Budget so that the process will not be subverted by ad hoc actions on the floor of the Senate. So section 306 is intended to protect the budget process.

The Bellmon amendment reads:

Congress having adopted a budget resolution it hereby extends the tax cut.

The subject of that amendment is the same as the Muskie amendment which has been pending and which is clearly within the jurisdiction of the Finance Committee. Somehow can the subject matter which is within the jurisdiction of the Finance Committee be invoked as a violation of section 306 which is intended to protect the jurisdiction of the Budget Committee? There is absolutely no rational justification for that kind of a parliamentary ruling, and I appeal the ruling of the Chair.

Mr. LONG. Mr. President——

Mr. MUSKIE. May I ask the Parliamentarian to reconsider his advice in light of what I said?

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. LONG. Mr. President, as far as I am concerned, I would be happy to go along with the Senator from Maine and support his appeal to the ruling of the Chair because I would prefer that we vote on the Senator's amendment and we vote on preserving every Senator his right to move to table or otherwise. From my point of view, Mr. President, I would just as soon we go to the merits of this matter rather than otherwise.

I would ask consent of the Senate that the amendment be in order.

The PRESIDING OFFICER. Is there objection? Hearing none, the amendment is ruled in order.

Mr. LONG. Mr. President, what the Senator is seeking to do is to overcome the vote we just had. The Senator and his group have been accusing us of filibustering and have been demanding the right to vote all day long and on yesterday. After we offered this amendment today, they have been saying, "We want a vote. When do we vote?" They say we are filibustering.

So by the time we vote on an offered amendment, which is more or less to balance the budget, they say, "If you can find the money to pay for the additional cost your amendment will impose, all right, we will go along with your amendment. If you cannot raise the money to do that, then your amendment does not go into effect until you do provide the revenue."

The whole burden was that if you vote for the amendment, you are going to have to provide the revenue for it. The whole purpose was to take the Senator up on this whole premise with a balance-the-budget amendment, which I offered, and which he failed to table when Mr. BELLMON offered it.

Now they have this second set of amendments, that in the event they could not table the Long amendment then they would offer an amendment to the House bill and then an amendment to the amendment. So one offers one amendment and the other offers another amendment so that the Long amendment cannot be voted upon. They prevent me from getting a vote on my amendment.

So, Mr. President, the only thing I can do under the circumstances is to insist that the Senate have a chance to vote on the amendment that it failed to table. The way to do that is to move to table the Bellmon amendment which would take the Muskie amendment with it.

SEVERAL SENATORS. Yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

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 Delaware (Mr. BIDEN), the Senator from Idaho (Mr. CHURCH), the Senator from South Dakota (Mr. MCGOVERN), and the Senator from Utah (Mr. MOSS), are necessarily absent.

I also announce that the Senator from Missouri (Mr. SYMINGTON) and the Senator from Indiana (Mr. BAYH) are absent because of illness.

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

Mr. GRIFFIN. I announce that the Senator from New Mexico (Mr. DOMENICI) and the Senator from Arizona (Mr. GOLDWATER) are necessarily absent.

I further announce that the Senator from New York (Mr. BUCKLEY) is absent due to illness.

The result was announced—yeas 49, nays 42, as follows:

[Rollcall Vote No. 311 Leg.]

YEAS—49

Allen	Griffin	Pearson
Baker	Hansen	Percy
Bartlett	Hatfield	Randolph
Bentsen	Helms	Ribicoff
Brock	Hruska	Roth
Burdick	Inouye	Scott, Hugh
Byrd, Harry F., Jr.	Johnston	Scott, William L.
Byrd, Robert C.	Laxalt	Sparkman
Cannon	Long	Stennis
Curtis	Magnuson	Stevens
Dole	McClellan	Stone
Eastland	McClure	Talmadge
Fannin	McGee	Thurmond
Fong	McIntyre	Tower
Garn	Montoya	Weicker
Gravel	Morgan	Young
	Packwood	

NAYS—42

Abourezk	Ford	Kennedy
Beall	Glenn	Leahy
Bellmon	Hart, Gary	Mansfield
Brooke	Hart, Philip A.	Mathias
Bumpers	Hartke	Metcalf
Case	Haskell	Mondale
Chiles	Hathaway	Muskie
Clark	Hollings	Nelson
Cranston	Huddleston	Nunn
Culver	Humphrey	Pastore
Durkin	Jackson	Pell
Eagleton	Javits	Proxmire
Schweiker	Stevenson	Tunney
Stafford	Taft	Williams

NOT VOTING—9

Bayh	Church	McGovern
Biden	Domenici	Moss
Buckley	Goldwater	Symington

So the motion to lay on the table was agreed to.

Mr. LONG. Mr. President, I can live with the Muskie amendment if the Long amendment is agreed to. This would insist that revenues have to be raised to pay for it, or otherwise it would not go into effect. I can live with it that way, or I can live without it, and wait until we come to that place in the bill where it would be appropriate to take the matter up and have the Senate work its will.

If we can vote on the Long amendment to the Muskie amendment right now, I am ready to go ahead and vote on it. Otherwise, since Senators are going to be leaving here, I would have no choice but to move to table.

I ask unanimous consent that the Senate proceed to a vote on the Long amendment.

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

Mr. MUSKIE. Mr. President, I will take just 4 or 5 minutes, if I may.

The PRESIDING OFFICER. Does the Senator reserve his right to object to the request just made?

Mr. MUSKIE. Mr. President, reserving the right to object, much as I like that part of the legislative vehicle that we now have before us in terms of the prospect that we can continue the tax cut for all Americans and avoid a tax increase on July 1, 1977, as would be the case if the reported Finance Committee bill were enacted, the Long amendment, in my judgment, is such an inappropriate mechanism for implementing that purpose that I find it very difficult to become a part of it.

What the Long amendment does, for those who were not on the floor during the course of the afternoon today, is provide that the tax extension for fiscal year 1977 will take effect if and only if we pick up, in effect, the $2 billion in tax expenditure revenue increases, or their equivalent, by the time the bill is finally enacted by Congress. If we pick up $1.950 billion it will not be extended. If we pick up $1.999 billion it will not be extended.

Who is to judge whether or not we picked up the revenue to meet the condition of the Long amendment? The Secretary of the Treasury within 30 days after the bill is enacted. If he happens to have different economic assumptions than we do on the day that we enact the legislation and his numbers are below the $2 billion that we may have assumed we picked up, then he can rule under the conditions of the Long amendment that the tax extension will not be implemented.

What the Long amendment undertakes to do is to tie our hands before we have finished consideration of this bill with respect to what the final result will be after we have finished. It assumes that we have not the inteligence as a body to accommodate the final result to the individual decisions that we make through the legislative process on this bill.

There was only one reason that this

Long amendment was offered. It was to give the Senate what appeared to be an attractive alternative to the Muskie amendment, to appear to create the basis for an extension of the tax cuts without, in reality, giving any momentum to this objective at all. It was a very cleverly conceived parliamentary device so that when Senators came through the door they were told we will have the tax cut if we raise the money for it, an attractive proposition.

It was the only way it could be described in a one-sentence description.

The second point I make is this, may I say to my colleagues: between the first budget resolution and the second in the fall the Budget Act anticipates the possibility of spending decisions and revenue decisions in that period which will require a change in the budget that is adopted in the spring. So that if it is the will, finally, of the Senate to approve only $1 billion in tax expenditure reforms and to extend the tax cuts or not to extend them, whatever the Senate does, and the House of Representatives concurs, the budget process provides that in September we will take all of the spending decisions and all of the revenue decisions that have been made in the interim and reconcile them with the original targets, ask for more taxes, cut spending, lower or raise the deficit or whatever. There is a reconciliation process built in.

What the Long amendment tries to do is to write in a reconciliation process in this bill. If we set that precedent, what is to prevent any committee, when an appropriation bill comes to the floor, to press for expenditures which breach the budget targets by offering an amendment that would provide for reconciliation of this kind within the confines of each bill, so that when we finally get at the end of the process in September the Budget Committee will have the job of unscrambling all the reconciliation processes that had been used as justification for increasing spending, approving new programs, and passing a bill like this which the Finance Committee has reported out? That is the kind of precedent we are talking about. It simply means, if we set this precedent that Senator LONG is asking us to set, that we will have taken the first step to the kind of budgetary anarchy that we had in the first place that we tried to correct with the budget process.

I simply wished to make that point to the Senate. I am not going to do a thing about delaying the Senate, or offering any more motions or amendments. I get messages pretty clearly. I got two within the last 45 minutes. It is a message by the Senate to itself. I am simply the instrument of the Senate. But I tell Senators I do not really think they want anything like this Long amendment as a precedent in the budget process of this Congress.

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

Mr. MUSKIE. Yes, I yield.

Mr. STEVENS. I have some trepidation getting involved in the discussion between the two Senators, but let me ask them because I have respect for both of them: Why can we not proceed with the Finance Committee bill and have the Budget Committee give us its judgment after the Senate collectively has worked its will on the Finance Committee proposal that is before us? Not all of us have made up our minds 100 percent to support. But I think we would like to see what it looks like before the Budget Committee comes in and says what the Finance Committee proposed is out of line. The Senator is not even giving us a chance to look at this bill to work our will and then have the Budget Committee give us its views as to whether this bill is consistent with the resolution that we have previously approved. With due respect to my friend, is the answer not for us to proceed with the Finance Committee bill and not with the Muskie amendment or the Long amendment to the Muskie amendment?

Mr. MUSKIE. I think that, in essence, we can get out of what happened and proceed with the bill. I hope we can drop this matter now, including the Long amendment. I would prefer it otherwise, but the Senate spoke.

The PRESIDING OFFICER. The Chair must interrupt and inquire: There is objection to what I believe the Chair construed as the unanimous-consent request by the Senator from Louisiana.

Mr. BROOKE. Reserving the right to object, Mr. President, if the Senator from Maine meant what he just said, as I heard him, why does he not withdraw his amendment and let us proceed with the Finance bill as the Senator from Alaska has suggested? I think that is the best way to proceed, and then we would all be able to work as best we could on a good tax bill. If he withdraws his Muskie amendment we can go on title by title as we intended to start with the bill.

Mr. LONG. I am happy to do that.

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

Mr. MUSKIE. Yes, I yield.

Mr. HUMPHREY. Mr. President, there are a number of us present who have been well informed by the protagonists of this debate as to the jurisdictional differences that exist between the Finance Committee and the Budget Committee. And, of course, we have also been treated to some very adroit maneuvering of a parliamentary nature. But the real fact of the matter is what has been argued in the Chamber and should be argued regarding the basic economic policy issue before us. That is far beyond jurisdictions, far beyond whether or not we should proceed with the bill along the lines proposed by the Finance Committee. The fundamental issue is what are our projections for this economy and how do these projections relate to the tax policy that will be adopted by Congress? I think it is the duty of the Senate to give the American economy—business, labor, and consumers—some assurance. There is not a single person of any competence who has testified before any committee of this Congress who has not said that we face a long period during which our economy will operate well below its full potential. Unemployment will remain at unacceptably high rates throughout the 1970's. This is no time to raise questions about whether taxes on our families will be increased. This will be bad for our working families, businesses, and the Nation.

Mr. LONG. Mr. President, I was hoping to get consent. It looks as if we are not going to get consent with Senators leaving the Chamber.

Mr. HUMPHREY. Just a minute. That is right.

The Senator from Louisiana and others have held the floor a long time?

Mr. LONG. I object to my own request.

Several Senators addressed the Chair.

The PRESIDING OFFICER. Objection is heard.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. LONG. I move to table the Muskie amendment.

The PRESIDING OFFICER. The question is on agreeing to the motion to table.

Mr. ALLEN. Mr. President, will the Senator withhold that a minute?

Mr. CURTIS. I ask for the yeas and nays.

Mr. HUMPHREY. Who has the floor?

Mr. ALLEN. Mr. President, will the Senator withhold the motion a moment?

Mr. CURTIS. Regular order. Let us vote.

Several Senators addressed the Chair.

Mr. MUSKIE. Mr. President, who has the floor? I yielded to the Senator from Minnesota.

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

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. LONG. Mr. President, I ask unanimous consent to withdraw my motion.

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

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

Mr. LONG. I yield.

Mr. MANSFIELD. Mr. President, I presume that the suggestion made by the distinguished Senator from Alaska (Mr. STEVENS) is worth every consideration. Otherwise, we will continue at this impasse, nothing will be accomplished, and we still will be in a state of disarray. The Senate does not look too good.

I ask at this time that the Senator from Louisiana (Mr. LONG) and the Senator from Maine each withdraw his amendment.

Mr. MUSKIE. As I indicated to the majority leader, I will be happy to do so. Not happy; that is not exactly the word.

[Laughter.]

But in the light of the votes that have been taken, I would agree with the Senator's assessment of the situation. I will take this matter up again. I would prefer otherwise. I do withdraw my amendment.

Mr. LONG. I withdraw my amendment.

The PRESIDING OFFICER. Does the Senator from Maine withdraw his amendment?

Mr. MUSKIE. Yes.

The PRESIDING OFFICER (Mr. STONE). The amendment of the Senator from Maine is withdrawn; therefore, the amendment by the Senator from Louisiana falls with it.

Mr. ALLEN. Mr. President, I commend the distinguished Senator from Louisiana and the distinguished Senator from Maine for reaching this accommodation.

I will support the Muskie amendment when it is offered later, as the distinguished Senator says he plans to do, provided the recovery of the lost revenue resulting from the Muskie amendment has been made. I think we have had the cart before the horse here, when we add the $1.7 billion in additional tax reduction without knowing whether or not we can make it up.

I think that a reasonable compromise has been reached. The recovery of some $1 billion is all it takes, because the Finance Committee amendment left some $800 million not provided for in tax reductions. All it would take would be to recover $1 billion. I hope that it can be recovered. I hope we will be able to vote for the Muskie amendment later in the day.

The PRESIDING OFFICER. Who yields time?

Mr. LONG. Mr. President, I would be willing to vote on the committee amendment tonight or, if Senators would prefer, to vote tomorrow at a time certain. It would be all right with me to vote now on the committee amendment, which is a motion to strike title I, a motion to strike the LAL.

AMENDMENT NO. 1908

Mr. KENNEDY. Mr. President, I have an amendment on behalf of myself and the Senator from Wisconsin with respect to title I.

Mr. LONG. Then, Mr. President——

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

Mr. LONG. Mr. President, if the Senator will yield for 1 moment, I wish to announce my plans.

Mr. President, I think I should tell Senators that there will be no more votes tonight. I believe that we have done about the best we can do for the time being, and we will plan to vote on the Kennedy amendment sometime tomorrow, after he has explained it and we have had a chance to react to it.

Mr. KENNEDY. Fine.

The PRESIDING OFFICER. Is the Senator asking for consideration of his amendment?

Mr. KENNEDY. I want it to be the pending matter tomorrow.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. KENNEDY. 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:

Strike out all from page 1, line 4 down through line 16 on page 40 and in lieu of the language of Title I proposed to be struck out by the Committee amendment, insert the following:

TITLE I—LIMITATION ON ARTIFICIAL LOSSES

SEC. 101. LIMITATION ON ARTIFICIAL LOSSES

(a) IN GENERAL.—Part II of subchapter E of chapter 1 (relating to methods of accounting) is amended by redesignating subpart D as subpart E and by inserting after subpart C the following new subpart:

"Subpart D—Limitation on Artificial Losses

"Sec. 466. Taxable year for taking certain accelerated deductions which would cause artificial losses.

"Sec. 467. LAL property; classes of LAL property.

"Sec. 468. Accelerated deductions; net related income.

"Sec. 469. Dispositions of LAL property.

"Sec. 470. Other definitions and special rules.

"SEC. 466. TAXABLE YEAR FOR TAKING CERTAIN ACCELERATED DEDUCTIONS WHICH WOULD CAUSE ARTIFICIAL LOSSES.

"(a) ACCELERATED DEDUCTIONS DEFERRED TO EXTENT THEY EXCEED RELATED INCOME.—

"(1) IN GENERAL.—Except as otherwise provided in this subpart, in the case of any taxpayer subject to this subpart, accelerated deductions which are attributable to a class of LAL property and which (but for this section) would be allowable for the taxable year shall not be allowed for such year to the extent that such deductions exceed the net related income for such year from such class of property.

"(2) TAXPAYERS SUBJECT TO SUBPART.—Except as provided in paragraph (3), the following shall be subject to this subpart:

"(A) an individual,

"(B) an electing small business corporation (within the meaning of section 1371 (b)), and

"(C) with respect to LAL farm property, a corporation to which section 447(a) (relating to method of accounting for corporations engaged in farming) does not apply.

"(3) EXCEPTION FOR CERTAIN ACCRUAL TAXPAYERS ENGAGED IN FARMING.—Paragraph (1) of this subsection and subsection (b) shall not apply to any taxpayer with respect to property described in section 467(a)(3) if the taxpayer uses an accrual method of accounting with respect to such property and capitalizes preproductive period expenses described in section 468(c)(1).

"(b) DEFERRED DEDUCTIONS PLACED IN DEFERRED DEDUCTION ACCOUNT.—Each taxpayer to whom subsection (a) applies for any taxable year shall establish and maintain a deferred deduction account for each class of LAL property. The deductions not allowed for any taxable year solely by reason of subsection (a) with respect to any class of LAL property shall be placed in the deferred deduction account for such class of property.

"(c) DEFERRED DEDUCTIONS ALLOWED IN LATER YEARS.—In the case of any taxpayer to whom subsection (a) applied with respect to any class of LAL property for any taxable year, if the net related income from such class of property for any subsequent taxable year exceeds the accelerated deductions attributable to such class of property for such subsequent year, there shall be subtracted from the deferred deduction account and allowed as a deduction for such subsequent year an amount equal to the lesser of—

"(1) such excess, or

"(2) the amount in the deferred deduction account for such class of property at the close of such subsequent taxable year (determined without regard to the application of this subsection to such subsequent taxable year).

"SEC. 467. LAL PROPERTY; CLASSES OF LAL PROPERTY.

"(a) LAL PROPERTY DEFINED.—For purposes of this subpart, the term 'LAL property' means property described in any of the following paragraphs:

"(1) LAL REAL PROPERTY.—Real property—

"(A) which is or will be either property described in section 1221(1) or property held for rental, and

"(B) which is not section 1245 property (as defined in section 1245(a)(3)).

"(2) LAL LEASE PROPERTY.—In the case of a lessor, any section 1245 property (as defined in section 1245(a)(3)) which is leased or held for leasing.

"(3) LAL FARM PROPERTY.—Any property—

"(A) which is held for use in the trade or business of farming, or

"(B) which is described in section 1221 (1) and held in connection with the trade or business of farming.

"(4) LAL FILM PROPERTY.—Any motion picture film or video tape created primarily for use as public entertainment and any right to produce, distribute, or display such a film or tape.

"(5) LAL OIL AND GAS PROPERTY.—Any interest in an oil or gas well.

"(b) CLASSES OF LAL REAL PROPERTY.—For purposes, of this subpart, all property of the taxpayer described in subsection (a)(1) is one class of property.

"(c) CLASSES OF LAL LEASE PROPERTY.—For purposes of this subpart, each item of property described in subsection (a)(2) is a separate class of property.

"(d) CLASSES OF LAL FARM PROPERTY.—For purposes of this subpart—

"(1) IN GENERAL.—Except as provided in paragraph (2), all property of the taxpayer described in subsection (a)(3) is one class of property.

"(2) RULE FOR FARMING SYNDICATES.—In the case of any interest in a farming syndicate, property described in subsection (a)(3) attributable to each activity on each farm begun during any taxable year is a separate class of property.

"(3) FARMING SYNDICATE DEFINED.—

"(A) IN GENERAL.—The term 'farming syndicate' means—

"(i) a partnership engaged in the trade or business of farming if at any time interests in such partnership have been offered for sale in any offering required to be registered with a Federal or State agency having authority to regulate the offering of securities for sale,

"(ii) a partnership engaged in the trade or business of farming, if more than 50 percent of the losses during any period are allocable to limited partners, and

"(iii) any other enterprise engaged in the trade or business of farming if at any time interests in such enterprise have been offered for sale in an offering described in clause (i) or if the allocation of losses in such enterprise is similar to an allocation described in clause (ii).

"(B) HOLDINGS ATTRIBUTABLE TO ACTIVE MANAGEMENT.—For purposes of clause (ii) of subparagraph (A), in the case of any individual who has actively participated (for a period of not less than 5 years) in the management of any trade or business of farming, any interest in a partnership which is attributable to such active participation and which is held by such individual (or by any member of his family within the meaning of section 267(c)(4)) shall be treated as an interest which is not held by a limited partner. A rule similar to the rule provided by the preceding sentence shall apply for purposes of so much of clause (iii) of subparagraph (A) as relates to clause (ii) of subparagraph (A).

"(e) CLASSES OF LAL FILM PROPERTY.—For purposes of this subpart, each item of prop-

erty described in subsection (a)(4) is a separate class of property.

"(f) CLASSES OF LAL OIL AND GAS PROPERTY.—For purposes of this subpart, each property (within the meaning of section 614) is a separate class of property.

SEC. 468. ACCELERATED DEDUCTIONS; NET RELATED INCOME.

"(a) REAL PROPERTY.—For purposes of this subpart, the term 'accelerated deduction', when used with respect to a class of property described in section 467(a)(1), means—

"(1) CONSTRUCTION PERIOD INTEREST AND TAXES.—All—

"(A) interest paid or accrued on indebtedness incurred or continued to acquire, construct, or carry real property, and

"(B) real property taxes,

to the extent such interest and taxes are attributable to the construction period for such property and would be allowable as a deduction under this chapter for the taxable year (determined without regard to this subpart).

"(2) ACCELERATED DEPRECIATION.—The excess of—

"(A) the deduction allowable under this chapter (determined without regard to this subpart) for the taxable year for depreciation or amortization, over

"(B) the deduction which would have been allowable for the taxable year had the taxpayer depreciated the property under the straight line method for each taxable year of its useful life for which the taxpayer has held the property.

"(b) LEASE PROPERTY.—For purposes of this subpart, the term 'accelerated deduction', when used with respect to a class of property described in section 467(a)(2), means the excess of—

"(1) the deduction allowable under this chapter (determined without regard to this subpart) for the taxable year for depreciation or amortization, over

"(2) the deduction which would have been allowable for the taxable year had the taxpayer depreciated the property under the straight line method for each taxable year of its useful life for which the taxpayer has held the property.

For purposes of paragraph (2), useful life shall be determined as if section 167(m)(1) (relating to asset depreciation range) did not include the last sentence thereof.

"(c) FARM PROPERTY.—For purposes of this subpart, the term 'accelerated deduction', when used with respect to a class of property described in section 467(a)(3), means—

"(1) PREPRODUCTIVE PERIOD EXPENSES.—

"(A) IN GENERAL.—Any amount which is attributable to crops, animals, or trees (or to any other property having a crop or yield) during the preproductive period of such property and which is allowable as a deduction for the taxable year (determined without regard to this subpart).

"(B) EXCEPTIONS.—Subparagraph (A) shall not apply—

"(i) to taxes and interest,

"(ii) to any amount incurred on account of fire, storm, flood, or other casualty or on account of disease or drought,

"(iii) to grain, oil seed, fiber, pasture, tobacco, silage, rice and forage crops (including expenses of planting, seeding, residue processing, fallowing, plowing, or any other soil preparation), and

"(iv) to livestock, including poultry.

Clauses (iii) and (iv) shall not apply in the case of an interest in a farming syndicate (as defined in section 467(d)(3)).

"(C) PREPRODUCTIVE PERIOD DEFINED.—For purposes of this paragraph, the term 'preproductive period' means—

"(i) in the case of property having a useful life of more than 1 year which will have more than 1 crop or yield, the period before the disposition of the first such marketable crop or yield, or

"(ii) in the case of any other property, the period before such property is disposed of.

For purposes of this subpart, the use by the taxpayer in the trade or business of farming of any supply produced in such trade or business shall be treated as a disposition.

"(2) PREPAID FEED, SEED, FERTILIZER, ETC.—

"(A) IN GENERAL.—Any amount paid for feed, seed, fertilizer, or other supplies which are on hand at the close of the taxable year.

"(B) EXCEPTIONS.—Subparagraph (A) shall not apply to—

"(i) any amount paid for supplies which are on hand at the close of the taxable year on account of fire, storm, flood, or other casualty or on account of disease or drought, or

"(ii) in the case of a taxpayer (other than a farming syndicate as defined in section 467(a)(3)) who, on the average, produces more than 50 percent (by volume) of the feed consumed by such taxpayer's livestock (other than poultry), any amount paid for feed which is on hand at the close of the taxable year.

"(3) ACCELERATED DEPRECIATION OF ANIMALS, TREES, ETC., DURING PRODUCTIVE PERIOD.—In the case of animals, trees, or other property having a crop or yield, the excess of—

"(A) the deduction allowable for the taxable year under section 167 (determined without regard to this subpart), over

"(B) the deduction which would have been allowable for the taxable year had the taxpayer depreciated the property under the straight line method for each taxable year of its useful life for which the taxpayer has held the property.

"(d) FILM PROPERTY.—For purposes of this subpart, the term 'accelerated deduction', when used with respect to a class of property described in section 467(a)(4), means any amount allowable for the taxable year under this chapter (determined without regard to this subpart) as a deduction—

"(1) for depreciation or amortization, or

"(2) for amounts attributable to producing, distributing, or displaying such property.

"(e) OIL AND GAS PROPERTY.—For purposes poses of this subpart, the term 'accelerated deduction', when used with respect to a class of property described in section 467(a)(5), means the excess (if any) of—

"(1) the intangible drilling and development costs described in section 263(c) allowable under this chapter (determined without regard to this subpart) for the taxable year with respect to such class of property, over

"(2) the amount which would have been allowable for the taxable year if such costs had been capitalized and straight line recovery of intangibles (as defined in section 57(f)) had been used with respect to such costs.

Such term does not include intangible drilling and development costs described in section 263(c) allowable under this chapter which are attributable to a well drilled solely to inject water or other substances to stimulate or increase the production of oil or gas.

"(g) NET RELATED INCOME.—

"(1) IN GENERAL.—For purposes of this subpart, the net related income from a class of property for a taxable year is the excess of—

"(A) the gross income from such class for such year, over

"(B) the sum of the deductions (other than accelerated deductions) for such year attributable to such class.

"(2) SPECIAL RULES.—For purposes of paragraph (1)—

"(A) any excess of the deductions (other than accelerated deductions) attributable to an item of property shall not be taken into account,

"(B) the net operating loss deduction provided by section 172 shall not be taken into account,

"(C) any deduction under section 1202 (relating to deduction for capital gains) and any capital loss carryback or carryover under section 1212 (relating to capital loss carrybacks and carryovers) shall not be taken into account, and

"(D) any deduction allowed under section 469(a) by reason of section 469(b)(4) (relating to nonproductive oil and gas wells) shall be treated as a deduction which is not an accelerated deduction.

"(3) CERTAIN PROCESSING INCOME TREATED AS FARMING INCOME.—

"(A) IN GENERAL.—For purposes of paragraph (1) of this subsection and for purposes of section 470(b)(3), the net income of any person from the processing of (including the application of one or more manufacturing processes to) a farm product produced by such person shall be treated as net income of such person attributable to the business of farming if such processing is performed by such person or by any partnership, electing small business corporation, or cooperative of which such person is a member.

"(B) PARAGRAPH NOT TO APPLY TO SYNDICATED FARMING INTEREST.—This paragraph shall not apply with respect to any interest in a farming syndicate within the meaning of section 467(d)(3).

"SEC. 469. DISPOSITIONS.

"(a) GENERAL RULE.—If the disposition of any LAL disposition class is completed during the taxable year, there shall be allowed as a deduction any amount remaining in the deferred deduction account allocable to such class at the close of the taxable year after the application of this subpart other than this section.

"(b) DISPOSITION CLASSES.—

"(1) IN GENERAL.—For purposes of this section, except as provided in paragraphs (2), (3), and (4), the term 'LAL disposition class' means any class of LAL property (within the meaning of section 467).

"(2) SPECIAL RULE FOR REAL PROPERTY.—For purposes of paragraph (1), in the case of property described in section 467(a)(1), the term 'LAL disposition class' means any item of such property.

"(3) SPECIAL RULE FOR FARM PROPERTY.—For purposes of paragraph (1), in the case of property described in section 467(a)(3), the term 'LAL disposition class' means—

"(A) except as provided in subparagraphs (B) and (C), all such property which is attributable to one activity on one farm begun during any taxable year,

"(B) in the case of any interest in a farming syndicate, all such property attributable to any one activity, and

"(C) any feed, seed, fertilizer, or other supplies consumed during the taxable year which were on hand at the close of a prior taxable year.

Notwithstanding the preceding sentence, in the case of an interest in farming which is not an interest in a farming syndicate, the taxpayer may elect to treat the portion of each crop or yield disposed of during any taxable year as a separate LAL disposition class.

"(4) NONPRODUCTIVE OIL AND GAS WELLS.—For purposes of this section, in the case of LAL property described in section 467(a)(5), the completion of a nonproductive oil or gas well shall be treated as the disposition of a separate LAL disposition class.

"(c) DEEMED DISPOSITIONS.—

"(1) PROPERTY CEASES TO BE REAL PROPERTY OR LEASE PROPERTY.—For purposes of this section, property described in paragraph (1) or (2) of section 467(a) shall be deemed disposed of when in the hands of the taxpayer it ceases to meet the requirements of such paragraph.

"(2) FILMS.—Property described in paragraph (4) of section 467(a) which has not theretofore been disposed of shall be deemed disposed of at the earlier of—

"(A) the close of the 1st taxable year following any taxable year by the close of which 95 percent or more of the income forecast for such property has been received or accrued, or

"(B) the close of the 7th taxable year following the taxable year in which such property is placed in service by the taxpayer.

Subparagraph (A) shall not cause any property to be deemed disposed of earlier than the close of the 2d taxable year following the taxable year in which such property was placed in service by the taxpayer.

"(d) CERTAIN TRANSFERS NOT TREATED AS DISPOSITIONS.—

"(1) IN GENERAL.—For purposes of this subpart, a transfer of property—

"(A) by gift,

"(B) in a transaction in which gain or loss is not recognized in whole or in part,

"(C) in a transaction between parties whose relationship is described in section 267(b),

"(D) to the estate of a decedent by reason of the death of such decedent, or

"(E) in a transaction for which the taxpayer elects to return income under section 453 (relating to the installment method), shall not be treated as a disposition.

"(2) TRANSFEREE SUCCEEDS TO THE DEFERRED DEDUCTION ACCOUNT.—In the case of any transfer described in subparagraph (A), (B), (C), or (D) of paragraph (1) (other than a transfer also described in subsection (e)), the transferee of the property shall succeed to the deferred deduction account of the transferor with respect to such property.

"(e) SPECIAL RULES FOR CERTAIN TRANSFERS.—For purposes of this subpart—

"(1) TRANSFER BY DEATH.—In the case of the transfer of property by reason of death (other than a transfer to the estate of the decedent), the basis of the property in the hands of the transferee immediately after the transfer shall be the higher of—

"(A) its basis determined under section 7014(a) (relating to basis of property acquired from a decedent), or

"(B) the sum of (i) the lower of the adjusted basis of the property in the hands of the decedent or the fair market value of the property at the time of his death, and (ii) the balance in the deferred deduction account with respect to such property at the time of the transfer.

If any transfer referred to in the preceding sentence is a transfer from the estate of the decedent, the basis so determined shall properly reflect adjustments to basis during the period the property was held by the estate.

"(2) CORPORATIONS OR OTHER PERSONS TO WHICH SUBPART DOES NOT APPLY.—In the case of any transfer described in subparagraph (A), (B), (C), or (D) of subsection (d)(1), if the transferee of any property is a person which is not subject to this subpart, then the basis of the property in the hands of the transferee shall be increased by the balance in the deferred deduction account with respect to such property in the hands of the transferor.

"(3) INSTALLMENT SALES.—In the case of a transaction described in subsection (d)(1)(E), the final payment on the obligation or the disposition of the installment obligation (within the meaning of section 453(d)) shall be treated as a disposition.

"SEC. 470. OTHER DEFINITIONS AND SPECIAL RULES.

"(a) DEFINITIONS.—For purposes of this subpart—

"(1) CONSTRUCT.—The term 'construct' includes reconstruct and erect, and the term 'construction' includes reconstruction and erection.

"(2) CONSTRUCTION PERIOD.—The term 'construction period', when used with respect to any item of property described in section 467(a)(1), means the period—

"(A) beginning on the date on which construction of the building or other improvement begins; and

"(B) ending on the date on which the item of property is ready to be placed in service or is ready to be held for sale.

"(3) RESIDENTIAL REAL PROPERTY.—The term 'residential real property' means property which is or can reasonably be expected to be—

"(A) residential real property as defined in section 167(j)(2)(B), or

"(B) real property described in section 1221(1) held for sale as dwelling units (within the meaning of section 167(k)(3)(C)).

"(4) FARMING.—The term 'farming' means the cultivation of land or the raising or harvesting of any agricultural or horticultural commodity, including the raising, shearing, feeding, caring for, training, and management of animals. For purposes of the preceding sentence, trees shall be treated as an agricultural or horticultural commodity.

"(b) SPECIAL ADJUSTED GROSS INCOME RULE FOR FARMING.—

"(1) ACCELERATED DEDUCTIONS NOT DEFERRED WHERE NONFARM ADJUSTED GROSS INCOME FOR TAXABLE YEAR DOES NOT EXCEED $20,000.—In the case of any individual (other than a trust), subsections (a) and (b) of section 466 shall not apply to deductions attributable to a class of property described in section 467(a)(3) if the individual's nonfarm adjusted gross income for the taxable year does not exceed $20,000.

"(2) PHASEOUT BETWEEN $20,000 AND $40,000.—In the case of any individual (other than a trust), subsections (a) and (b) of section 466 shall not apply to so much of the excess for the taxable year of the accelerated deductions described in section 468(c) over the net related income from farming as does not exceed the excess of $40,000 over such individual's nonfarm adjusted gross income for the taxable year.

"(3) NONFARM ADJUSTED GROSS INCOME DEFINED.—For purposes of this subsection, the term 'nonfarm adjusted gross income' means adjusted gross income computed without regard to income or deductions attributable to the business of farming.

"(4) MARRIED INDIVIDUALS FILING SEPARATE RETURNS.—In the case of a married individual filing a separate return for the taxable year, in applying paragraph (1) or (2) the items referred to therein of both spouses shall be combined. For purposes of this paragraph, marital status shall be determined under section 143.

"(c) SUBPART NOT TO APPLY TO CERTAIN REAL PROPERTY.—

"(1) IN GENERAL.—This subpart shall not apply to real property the construction period for which begins before January 1, 1976.

"(2) RESIDENTIAL REAL PROPERTY.—This subpart shall not apply to residential real property.

"(d) OTHER SPECIAL RULES.—

"(1) BASIS ADJUSTMENTS UNDER SECTION 1016.—Any deduction not allowed for the taxable year by reason of section 466(a) shall be treated as allowed for such year for purposes of section 1016 (relating to adjustments to basis).

"(2) DEDUCTION OR INCOME ATTRIBUTABLE TO MORE THAN ONE CLASS OF PROPERTY.—If any deduction or income is attributable to more than one class of LAL property or to more than one LAL disposition class, such deduction or income shall be allocated to one of such classes or among such classes in accordance with regulations prescribed by the Secretary.

"(3) DETERMINATION OF STRAIGHT LINE DEPRECIATION FOR LEASED PROPERTY.—In determining what depreciation would have been for leased property under the straight line method, rules similar to the rules provided by section 1250(b)(2) shall apply.

"(4) PARTNERSHIPS.—For purposes of this subpart—

"(A) ITEMS TREATED AS HELD DIRECTLY BY PARTNERS.—Any item of property held by a partnership shall be treated as held by each partner in accordance with his distributive share of the taxable income or loss (whichever applies) of the partnership for the taxable year.

"(B) DISPOSITIONS OF PARTNERSHIP INTERESTS.—The disposition of any partner's interest in the partnership shall be treated as a disposition of the partner's interest in each item of property.

"(5) COORDINATION WITH CERTAIN RECAPTURE SECTIONS.—In applying sections 1245 (relating to gain from disposition of certain depreciable property), 1250 (relating to gain from dispositions of certain depreciable realty), 1251 (relating to gain from disposition of certain farm recapture property), 1252 (relating to gain from disposition of farm land), and 1254 (relating to gain from disposition of interest in oil or gas property), the adjustments to basis taken into account for purposes of such sections shall properly reflect any adjustment to basis provided by this subpart.

"(6) COORDINATION WITH CERTAIN OTHER PROVISIONS.—This subpart shall be applied after section 461(g) (relating to accrual of prepaid interest), after section 464 (relating to deduction limited to amount at risk in case of films, livestock, and certain crops), and after the second sentence of section 263(c) (relating to intangible drilling and development costs)."

(b) TECHNICAL AMENDMENTS.—

(1) EACH PARTNER MAKES SEPARATE ELECTION.—Section 703(b) (relating to elections of the partnership) is amended by striking out "or under section 163(d)" and inserting in lieu thereof "under section 163(d)", and by inserting after "investment indebtedness)," the following: "or under section 467(b)(3) (relating to election to aggregate residential real property for purposes of limitation on artificial losses),".

(2) PERCENTAGE DEPLETION.—Section 613A (relating to limitations on percentage depletion in case of oil and gas wells) is amended by adding at the end thereof the following new subsection:

"(f) COORDINATION WITH LIMITATION ON ARTIFICIAL LOSSES.—For purposes of subsection (d)(1) and section 613(a), taxable income for any taxable year shall be determined without regard to subpart D of part II of subchapter E of this chapter (relating to limitation on artificial losses)."

(c) 10-YEAR SPREAD OF ADJUSTMENTS WHERE TAXPAYER CHANGES TO ACCRUAL METHOD OF ACCOUNTING WITH RESPECT TO FARMING.—If, for his first taxable year ending after December 31, 1975, a taxpayer referred to in section 466(a)(2) of the Internal Revenue Code of 1954 computes his taxable income from farming on an accrual method of accounting and with the capitalization of preproductive expenses described in section 468(c)(1) of such Code, and if such method of accounting constitutes a change in his method of accounting with respect to his taxable income from farming, then—

(1) such change shall be treated as having been made with the consent of the Secretary of the Treasury,

(2) for purposes of section 481(a)(2) of such Code, such change shall be treated as a change not initiated by the taxpayer, and

(3) under regulations prescribed by the Secretary of the Treasury or his delegate, the net amount of the adjustments required by section 481(a) of such Code to be taken into account by the taxpayer in computing taxable income shall (except as otherwise provided in such regulations) be taken into ac-

count in each of the 10 taxable years beginning with the year of change.

(d) CLERICAL AMENDMENT.—The table of subparts for part II of subchapter E of chapter 1 is amended by striking out the item relating to subpart D and by inserting in lieu thereof the following:

"Subpart D. Limitation on artificial losses.

"Subpart E. Inventories."

(e) EFFECTIVE DATES.—

(1) GENERAL RULE FOR REAL PROPERTY, FARM PROPERTY, AND OIL AND GAS PROPERTY.—Except as provided in paragraph (6), in the case of property described in paragraph (1) or (3) of section 467(a) of the Internal Revenue Code of 1954 (as added by subsection (a)), the amendments made by this section shall apply to amounts paid or incurred after December 31, 1975, in taxable years ending after such date.

(2) GENERAL RULE FOR LEASE PROPERTY AND MOVIES AND VIDEO TAPES.—Except as provided in paragraphs (3) and (4), in the case of property described in paragraph (2) or (4) of section 467(a) of the Internal Revenue Code of 1954, the amendments made by this section shall apply to amounts paid or incurred after September 10, 1975, in taxable years ending after such date.

(3) SPECIAL RULES FOR PROPERTY.—

(A) IN GENERAL.—In the case of property described in section 467(a)(2) of the Internal Revenue Code of 1954, the amendments made by this section shall not apply with respect to—

(i) leases entered into before September 11, 1975;

(ii) leases where the property was ordered by the lessor or lessee before March 11, 1975, and such property is placed in service before January 1, 1976; and

(iii) leases where the lessor is a partnership formed before September 11, 1975, for the purpose of acquiring and leasing personal property, the property was ordered before September 11, 1975, by the person who becomes the lessee, and the property is placed in service before January 1, 1976.

(B) HOLDING OF INTERESTS FOR PURPOSES OF SUBPARAGRAPH (A)(i).—Subparagraph (A)(i) shall apply only to taxpayers who held their interests in the property—

(i) on September 11, 1975, or

(ii) in the case of property placed in service before January 1, 1976, on December 31, 1975.

(C) HOLDING OF INTERESTS FOR PURPOSES OF SUBPARAGRAPH (A)(ii) AND (iii).—Clauses (ii) and (iii) of subparagraph (A) shall apply only to taxpayers who held their interests in the property on December 31, 1975.

(4) SPECIAL RULE FOR MOVIES AND VIDEO TAPES.—

(A) IN GENERAL.—In the case of property described in section 467(a)(4) of the Internal Revenue Code of 1954, the amendments made by this section shall not apply to—

(i) deductions for depreciation or amortization with respect to property the principal production of which began before September 11, 1975, and for the purchase of which there was on September 11, 1975, and at all times thereafter a binding contract, and

(ii) deductions attributable to producing, distributing, or displaying property the principal production of which began before September 11, 1975.

(B) EXCEPTION FOR CERTAIN AGREEMENTS WHERE PRINCIPAL PHOTOGRAPHY BEGINS BEFORE 1976.—In the case of property described in section 467(a)(4) of the Internal Revenue Code of 1954, the amendments made by this section shall not apply to deductions attributable to the producing of a film the principal photography of which began on or before December 31, 1975, if

(i) on September 10, 1975, there was an agreement with the director or a principal motion picture star, or on or before September 10, 1975, there had been expended (or committed to the production) an amount not less than the lower of $100,000 or 10 percent of the estimated costs of producing the film, and

(ii) the production takes place in the United States.

Subparagraph (A) shall apply only to taxpayers who held their interests on September 10, 1975. Subparagraph (B) shall apply only to taxpayers who held their interests on December 31, 1975.

(5) TREATMENT OF DEPRECIATION AND AMORTIZATION.—For purposes of this subsection, any amount allowed or allowable for depreciation or amortization for any period shall be treated as an amount paid or incurred for such period.

(6) SPECIAL RULE FOR GROVES, ORCHARDS, AND VINEYARDS.—The amendments made by this section shall not apply to that part of a grove, orchard, or vineyard which was planted before September 11, 1975.

(A) Special rule for oil and gas property.—In the case of property described in section 467(a)(5) of the Internal Revenue Code of 1954, the amendments made by this section shall apply to amounts paid or incurred in connection with oil and gas property in taxable years beginning more than 30 days after the date on which the Secretary of the Treasury, in accordance with the provisions of this paragraph, determines that the sale of the oil and gas is not regulated by the United States Government under the Natural Gas Act, the Emergency Petroleum Allocation Act of 1973, the Emergency Petroleum Allocation Act of 1975, or any other law of the United States. The amendments made by this section shall cease to apply to amounts paid or incurred in connection with oil and gas property in taxable years ending after the date on which the Secretary of the Treasury determines, in accordance with the provisions of this paragraph, that the sale of oil and gas is regulated in any respect by a law of the United States enacted after the date of enactment of this Act.

(B) Before making a determination under subparagraph (A), the Secretary of the Treasury shall transmit a statement with respect to such determination to the Congress. The statement shall set forth the proposed determination and shall contain a detailed explanation and justification of the determination. If either House of the Congress does not disapprove the proposed determination set forth in such statement before the expiration of 30 legislative days after the receipt of the statement, then the Secretary shall make the determination set forth in the statement. For purposes of this subparagraph, the term "legislative days" does not include any calendar day on which both Houses of the Congress are not in session.

SEC. 102. AMENDMENT OF SECTION 167(k).

(a) EXTENSION FOR 2 YEARS. Paragraph (1) of section 167(k) (relating to depreciation of expenditures to rehabilitate low-income rental housing) is amended by striking out "January 1, 1976" and inserting in lieu thereof "January 1, 1978".

(b) INCREASE IN AGGREGATE EXPENDITURES TAKEN INTO ACCOUNT WITH RESPECT TO ANY DWELLING UNIT FROM $15,000 TO $20,000.—Paragraph (2)(A) of section 167(k) is amended by striking out "$15,000" and inserting in lieu thereof "$20,000".

(c) EFFECTIVE DATE.—The amendment made by subsection (b) shall apply to expenditures incurred after December 31, 1975.

Mr. KENNEDY. Mr. President, I am offering this amendment for myself, the Senator from Wisconsin (Mr. NELSON), the Senator from South Carolina (Mr. HOLLINGS), and the Senator from Maine (Mr. HATHAWAY). I understand it will be the pending business for tomorrow.

The PRESIDING OFFICER. The Senator is correct. It will be the pending business.

Mr. PACKWOOD. Mr. President, will the Senator give me a brief, 1-minute explanation of what the amendment is about? I will not have a chance to learn about it, other than what he has sent to the desk.

Mr. KENNEDY. Briefly, it is a compromise LAL amendment. It would exclude oil and gas from LAL, until there is price deregulation. It would also exclude sports franchises. The oil and gas portion reflects the administration's position, and I hope it will have administration support. Otherwise, the amendment is basically the same as our original LAL proposal. The major compromise is in the oil and gas exemption.

Mr. PACKWOOD. I thank the Senator.

Mr. ROBERT C. BYRD. Mr. President, there will be no more rollcall votes today.

ROUTINE MORNING BUSINESS

(The following routine morning business was transacted today.)

ORDER FOR CONSIDERATION TOMORROW OF S. 12 AND THE UNFINISHED BUSINESS, H.R. 10612

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, after the order for the recognition of a Senator has been completed, the Senate proceed to the consideration of S. 12 and that upon the disposition of S. 12, the Senate resume the consideration of the unfinished business.

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

FOREIGN RELATIONS AUTHORIZATION ACT, 1977

Mr. SPARKMAN. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 3168.

The Presiding Officer laid before the Senate the amendment of the House of Representatives to the bill (S. 3168) to authorize fiscal year 1977 appropriations for the Department of State, the U.S. Information Agency, and the Board for International Broadcasting, and for other purposes.

(The amendment of the House is printed in the RECORD of June 18, 1976, beginning at page H6201).

Mr. SPARKMAN. Mr. President, I move that the Senate disagree to the amendment of the House, request a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. SPARKMAN, Mr. MANSFIELD, Mr. CHURCH, Mr. SYMINGTON, Mr. PELL, Mr. CASE, Mr. JAVITS, and Mr. HUGH SCOTT conferees on the part of the Senate.

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 Presiding Officer 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 12:30 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the bill (S. 3168) to authorize fiscal year 1977 appropriations for the Department of State, the U.S. Information Agency, and the Board for International Broadcasting, and for other purposes, with an amendment in which it requests the concurrence of the Senate.

The message also announced that the House has passed H.R. 14239, an act making appropriations for the Departments of State, Justice, and Commerce, the judiciary, and related agencies for the fiscal year ending September 30, 1977, and for other purposes, in which it requests the concurrence of the Senate.

ENROLLED BILL SIGNED

The message further announced that the Speaker has signed the enrolled bill (S. 3122) to extend the authorization for appropriations to carry out the Endangered Species Act of 1973.

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

At 2:52 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House agrees to the amendment of the Senate to the bill (H.R. 12567) to authorize appropriations for the Federal Fire Prevention and Control Act of 1974 and the act of March 3, 1901, for fiscal years 1977 and 1978, and for other purposes.

ENROLLED BILLS SIGNED

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

S. 98. An act to authorize the Secretary of the Interior to establish the Klondike Gold Rush National Historical Park in the States of Alaska and Washington, and for other purposes.

S. 3147. An act to extend the Marine Protection, Research, and Sanctuaries Act for two years.

S. 3475. An act relating to the display of certain historical documents within the United States Capitol Building during the calendar year 1976.

H.R. 12384. An act to authorize certain construction at military installations and for other purposes.

The enrolled bills were subsequently signed by the President pro tempore (Mr. EASTLAND).

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The PRESIDING OFFICER laid before the Senate the following letters, which were referred as indicated:

REPORT OF THE FEDERAL HOME LOAN BANK BOARD

A letter from the Acting Chairman of the Federal Home Loan Bank Board transmitting, pursuant to law, the Annual Report on Mutual to Stock Conversions of Savings and Loan Associations (with an accompanying report); to the Committee on Banking, Housing, and Urban Affairs.

INTERNATIONAL AGREEMENTS OTHER THAN TREATIES

A letter from the Assistant Legal Adviser for Treaty Affairs transmitting, pursuant to law, copies of international agreements other than treaties, entered into within the past 60 days (with accompanying papers); to the Committee on Foreign Relations.

REPORT ON INTERNATIONAL EDUCATIONAL AND CULTURAL AFFAIRS

A letter from the Chairman of the U.S. Advisory Commission on International Educational and Cultural Affairs transmitting, pursuant to law, the Twelfth Annual Report summarizing its activities of the previous year (with an accompanying report); to the Committee on Foreign Relations.

REPORT OF THE COMPTROLLER GENERAL

A letter from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "Improvements Needed In Operating and Maintaining Waste Water Treatment Plants" (with an accompanying report); to the Committee on Government Operations.

PROPOSED LEGISLATION BY THE ATTORNEY GENERAL

A letter from the Attorney General of the United States transmitting a draft of proposed legislation to clarify the terms of the Speedy Trial Act of 1974 (with accompanying papers); to the Committee on the Judiciary.

HOUSE BILL REFERRED

The following bill was read twice by its title and referred to the Committee on Appropriations:

H.R. 14239. An act making appropriations for the Departments of State, Justice, and Commerce, the judiciary, and related agencies for the fiscal year ending September 30, 1977, and for other purposes.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that today, June 21, 1976, he presented to the President of the United States the following enrolled bills:

S. 98. An act to authorize the Secretary of the Interior to establish the Klondike Gold Rush National Historical Park in the States of Alaska and Washington, and for other purposes.

S. 2529. An act to amend chapter 37 of title 38, United States Code, to increase the maximum Veterans Administration's guaranty for mobile home loans from 30 to 50 percent, to make permanent the direct loan revolving fund, to extend entitlement under chapter 37 to those veterans who served exclusively between World War II and the Korean conflict, and for other purposes.

S. 3122. An act to extend the authorization for appropriations to carry out the Endangered Species Act of 1973.

S. 3147. An act to extend the Marine Protection, Research, and Sanctuaries Act for 2 years.

S. 3475. An act relating to the display of certain historical documents within the U.S. Capitol Building during the calendar year 1976.

TETON DAM DISASTER ASSISTANCE ACT—SENATE REPORT 94-963

Mr. JACKSON, from the Committee on Interior and Insular Affairs, submitted a report on the bill (S. 3542) to authorize the Secretary of the Interior to make compensation for damages arising out of the failure of the Teton Dam a feature of the Teton Basin Federal reclamation project in Idaho, and for other purposes, which was ordered to be printed.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. PASTORE, from the Committee on Appropriations, with amendments:

H.R. 14239. An act making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending September 30, 1977, and for other purposes (Rept. No. 94-964).

By Mr. McGEE, from the Committee on Post Office and Civil Service:

S. Res. 474. An original resolution waiving the provisions of section 402(a) of the Congressional Budget Act of 1974 with respect to H.R. 8603. Referred to the Committee on the Budget (Rept. No. 94-969).

By Mr. McGEE, from the Committee on Post Office and Civil Service, with an amendment:

H.R. 8603. An act to amend title 39, United States Code, with respect to the organizational and financial matters of the United States Postal Service and the Postal Rate Commission, and for other purposes (together with supplemental views) (Rept. No. 94-966).

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

S. 2587. A bill to authorize the establishment of the Chattahoochee River Urban Recreation Area in the State of Georgia, and for other purposes (together with minority views) (Rept. No. 94-965).

By Mr. MAGNUSON, from the Committee on Commerce, with amendments:

S. 3050. A bill to authorize the secretary of Transportation, when the Coast Guard is not operating as a service in the Navy, to lease for military purposes structures and their associated real property located in a foreign country (Rept. No. 94-967).

By Mr. McCLELLAN (for Mr. McGEE), from the Committee on Appropriations, with amendments:

H.R. 14237. An act making appropriations for Agriculture and Related Agencies programs for the fiscal year ending September 30, 1977, and for other purposes (Rept. No. 94-968).

By Mr. CLARK, from the Committee on Agriculture and Forestry:

S. Res. 476. An original resolution relating to proposed regulations concerning sanita-

tion facilities in the field for agricultural workers (Rept. No. 94-970).

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. MANSFIELD (for himself, Mr. METCALF, and Mr. HUDDLESTON):

S. 3594. A bill to authorize appropriations for the repair of highways in the States of Montana and Kentucky. Referred to the Committee on Public Works.

By Mr. FANNIN (for himself, Mr. HANSEN, Mr. THURMOND, Mr. TOWER, Mr. HRUSKA, Mr. CURTIS, and Mr. BARTLETT):

S. 3595. A bill to amend the National Labor Relations Act to provide for a freedom of choice in labor relations for full-time and part-time secondary and college students by exempting them from compulsory union membership, and for other purposes. Referred to the Committee on Labor and Public Welfare.

By Mr. HARTKE (for himself, Mr. TALMADGE, Mr. RANDOLPH, Mr. CRANSTON, Mr. STONE, Mr. DURKIN, Mr. HANSEN, Mr. THURMOND, Mr. STAFFORD, and Mr. HELMS):

S. 3596. A bill to amend title 38, United States Code, to increase the rates of disability compensation for disabled veterans; to increase the rates of dependency and indemnity compensation for their survivors; and for other purposes. Referred to the Committee on Veterans' Affairs.

By Mr. PERCY (for himself and Mr. STEVENSON):

S. 3597. A bill to amend section 1234 of the Internal Revenue Code of 1954 with respect to the tax treatment of the grantor of options in stock, securities, and commodities. Referred to the Committee on Finance.

By Mr. CURTIS:

S. 3598. A bill to amend the Social Security Act to authorize international agreements with respect to social security benefits. Referred to the Committee on Finance.

By Mr. WILLIAMS:

S. 3599. A bill to authorize a demonstration project under section 6 of the Urban Mass Transportation Act of 1964. Referred to the Committee on Commerce and the Committee on Banking, Housing and Urban Affairs, jointly, by unanimous consent.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. FANNIN (for himself, Mr. HANSEN, Mr. THURMOND, Mr. TOWER, Mr. HRUSKA, Mr. CURTIS, and Mr. BARTLETT):

S. 3595. A bill to amend the National Labor Relations Act to provide for a freedom of choice in labor relations for full-time and part-time secondary and college students by exempting them from compulsory union membership, and for other purposes. Referred to the Committee on Labor and Public Welfare.

STUDENTS' FREEDOM OF CHOICE ACT

Mr. FANNIN. Mr. President, I am pleased to introduce on behalf of myself and Senators HANSEN, THURMOND, TOWER, Mr. HRUSKA, Mr. CURTIS, and Mr. BARTLETT, a bill which would provide for a genuine freedom of choice in labor relations matters for students enrolled or registered in full-time programs in secondary, vocational, or higher education. Known as the Students' Freedom of Choice Act, this legislation would amend the National Labor Relations Act and the Railway Labor Act to provide an exemption for working students from the requirements of compulsory union membership under these acts.

Mr. President, the purpose of this amendment to our Federal labor laws is to make forced union participation for high school, technical, and college students unlawful, but it would not interfere with their voluntary participation. This legislation would amend section 8 (a)(3) of the National Labor Relations Act to exempt anyone employed on a part-time or temporary basis who is a student enrolled or registered to be enrolled in a full-time educational program in a high school, college, university, or business or trade school. A similar amendment would be made to the Railway Labor Act. The effect of such an amendment would be to prevent employers from discriminating against any employee who is a qualified student and refuses to join or pay dues or fees to a labor union as a condition of his employment.

Mr. President, under current statutes, a single union may be selected to act as the sole bargaining agent for the entire work force of an industry. Ordinarily, workers must, within 30 days of employment, join or pay dues or fees in lieu of membership to the appropriate collective-bargaining unit represented by that union as a condition of continued employment. This situation creates many inequities and injustices, especially for students.

As we all know, students are not especially wealthy individuals. Frequently they must earn tuition or spending money through part-time or summer jobs to see them through the school year. In order to obtain employment, students often find that they must join a union. As a result, they are forced to hand over a substantial portion of their meager wages in the form of union dues, just to be able to work at all. Moreover, during their period of employment they must accept union discipline, including picketing and strike orders which may result in a loss of wages and even loss of employment.

The average student works less than 12 weeks during the summer, and most of them hope to earn enough money during that short period to carry them through the following school year. Under the current system, many of these young men and women are required to pay full initiation fees and dues in lieu of membership to a labor union in order to keep that job. Yet, in most instances, they cannot participate in the so-called benefits, such as health insurance, sick pay, and wage increases, which have been negotiated by the union and for which compulsory dues are supposed to be used.

Students holding temporary jobs are not likely to benefit from union pension plans which take many years to vest. Many do not even remain long enough on the job to qualify for union health insurance and other fringe benefits. Clearly, working students receive very little in return for the money they must shell out in union dues. Like other seasonal workers, students are being ripped off, because of their part-time status. Clearly, they are victims of exploitation by the union monopoly system.

Mr. President, in the view of the National Labor Relations Board, the Supreme Court's interpretations of the National Labor Relations Act require the duly elected bargaining agent to represent all members of the bargaining unit whether they are dues paying members or not. In some cases, "union security" provisions make affiliation with a union a condition of employment. Sometimes these agreements are contractual and sometimes they are specified by law and are, therefore, not universal.

There are those who will contend that, in the case of contracts where there is no "union security" clause, non-dues-paying members are "free riders" because they do not help defray the cost of representation in procuring benefits that union members traditionally enjoy and because they detract from the overall strength of the labor organization. In my opinion, working students who are compelled to join or contribute to a union in order to retain their jobs are really not "free riders," but are, in fact, "captive passengers." Such students must join or support a union whether they wish to be represented by that union or not, and are thus compelled to pay union dues with money that could help defray the cost of their education. The real solution for the student is to eliminate the exclusivity requirement so that students who want union representation may choose to have it, and those who do not may use their money for more beneficial purposes. Without the protection that this legislation would provide, students do not have a genuine freedom of choice in matters affecting their employment.

Mr. President, the injustice of this situation has prompted many students throughout the country to agitate for a "national student right-to-work law" which would free them from the requirement to accept union membership in order to find work. The student right-to-work effort has gained momentum in recent years. Initiated by students for students, this broad-based, nonpartisan movement has attracted thousands of young people opposed to burdensome union membership requirements. It is based on two formidable arguments: namely, first, the right of a free individual to choose union affiliation or not as he or she sees fit; and second, the unfairness of compelling a working student as a condition of holding a job to make mandatory payments of dues or fees to a union by using money otherwise needed for education.

Clearly, the students are at a disadvantage in resisting the power and demands of organized labor. Yet, the student right-to-work movement has found surprising support among campus organizations and youth-oriented groups. Resolutions supporting the principle of right to work for students have been adopted by such groups as the National Young Republican Federation, representing 300,000 young political activists, and the Young Americans for Freedom, a

conservative youth organization with about 55,000 members.

Mr. President, I ask unanimous consent that the text of the resolutions supporting the right-to-work concept adopted in convention on July 5, 1975 by the Young Republican National Federation and in August 1975, by the National Young Americans for Freedom, be printed in the RECORD.

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

YOUNG REPUBLICAN NATIONAL FEDERATION—STUDENT RIGHT TO WORK BILL

Whereas, the Young Republican National Federation supports the Right to Work concept; and

Whereas, students, although working only part-time are forced to pay full union fees, but do not receive many of the normal benefits;

Therefore, be it resolved by the Young Republican National Federation that we urge the introduction and passage of amendments to the National Labor Relations Act, and Railway Labor Act that would provide for a student Right to Work.

Be it further resolved that we pledge ourselves individually and as a Federation to the support of such legislation.

NATIONAL YOUNG AMERICANS FOR FREEDOM—STUDENT RIGHT TO WORK BILL

Whereas, American students are most acutely affected by compulsory unionism and agency shops;

Whereas, the right to choose whether to join a union or not is a fundamental principle of the American way of life, currently supported by 69% of United States' citizens;

Whereas, any abridgement of that right is a blatant slavery by the group over the individual;

Whereas, responsible union leaders, such as "The Father of American Labor," Samuel Gompers, have held that "no lasting gain has ever come from compulsion;"

Whereas, compulsory unionism and compulsory non-unionism contravenes the employee's right to negotiate his own contract with the employer and vice versa;

Whereas, students who undertake part-time and summer employment often in order to aid in the financing of their education, are often victims of high union dues and initiation fees, without receiving benefits which are available to full-time and permanent personnel, and are further forced to finance, via their payments to the union, political candidates chosen by the union hierarchy;

Whereas, the recent trend toward compulsory unionism and the agency shop among the professional ranks of teachers and professors will lead to a lessening of academic freedom, as the union will be able to coerce, through monetary or other means, members to support union policy and the financing of political candidates, and curtail the power of competant educational administrators and school committees from hiring and releasing educators at their discretion;

Therefore be it resolved: that YAF urges all union members whose organizations require that part-time and summer employees join or monetarily support, the union, to compel their union to suspend said practice; and,

Be it resolved: that we urge state legislators to enact "right to work" legislation which guarantees every employee the right to join or decline to join at his place of employment.

Mr. FANNIN. Mr. President, I would like to cite a few case histories involving young people to illustrate the injustices created by current Federal labor laws and to dramatize my point that compulsory union membership, dues or fees are unfair to working students.

In June 1971, a young constituent of mine, Robert Chambers, a teenage student and resident of Yuma, while seeking temporary agricultural work, made application in the fields of an Arizona food producer that had entered into a contract with the United Farm Workers Organizing Committee. Chambers was there informed that he could obtain employment only by being processed through the union hiring hall. Later, upon reporting to the hiring hall, he was told by the union steward that before he could be considered for a job, he would have to join UFWOC at dues of $3.50 per month. When Chambers refused to join, the union agent refused to enter his name on the list of those who were to be referred to work. Thus, he was denied his right to hold a job.

Brady Rapp, a student in Joplin, Mo., was forced to pay $7 a month to the retail clerks union in order to work 1 day a week in a grocery store. In a letter to the chairman of the House Labor Committee in the Missouri Legislature, Brady wrote that union monopoly is not in the American tradition. Mr. President, I would like to quote this young man's eloquent statement:

I am a sixteen year old student at Parkwood High who found a job sacking groceries. It's only one day a week, and is on Sunday, but I felt lucky in being able to find any part-time work to help pay my school expenses.

Since Sunday is a difficult day to get people to work, my employer is happy to have me as a Sunday sacker.

After working a couple of Sundays, one of the regular employees told me I would have to join the union. That night when I told my folks, they were sure there was some mistake and told me to ask the store manager about it.

Well, he said he was sorry but he couldn't do anything about it. That if I didn't join the union and keep my dues paid he would be forced to fire me.

I then went to the Union Hall and told them I was only working one day a week and really couldn't afford to join the union and pay dues out of my small pay. They said if I wanted to keep my job, I must be one of their members.

My folks advanced me the initiation fee and first month's dues. Since then I have been paying my own monthly dues. The dues started out at $6.00 per month and on January 1st they were raised to $7.00 per month. One month I was two days late and they made me pay a $1.00 penalty. They also said that I must attend their meeting or pay a $5.00 fine.

All through school I was taught that freedom is the greatest thing we have over all the other countries of the world. What I can't understand now is why I don't have the same freedom in keeping my job.

Since I want to work, and the man who manages the store wants me to work, it seems wrong to have someone who doesn't own or run the store say whether I can work, even if it is only one day a week.

My folks told me that you, along with several others (representatives) were considering a bill to correct this problem so that's why I'm writing this letter to you and sending copies to them.

Mr. President, in an article prepared for the U.S. Industrial Council, Mr. H. C. Gordon discussed Brady Rapp's case history, observing that "the exploitation of our young students by the union monopoly system is particularly disgraceful," and endorsed the student right-to-work concept. Mr. President, I ask unanimous consent that Mr. Gordon's article as it appeared in the Anderson, Ind. Herald and other newspapers be printed in the RECORD.

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

NEEDED: RIGHT TO WORK

(By H. C. Gordon)

It is the pretentious claim of union chieftains, in this country that they speak for the interests of "labor" as a whole. In actual fact, nothing could be further from the truth.

Barely a quarter of the American work force is unionized, and that mere fraction is made up not of semi or unskilled workers in marginal industries, but predominately of highly-trained, highly-skilled workers in those industries most vital to the successful functioning of our economy.

What the union leaders represent, therefore, is really a blue-collar elite which is primarily concerned with enhancing its own privileges—often at the expense of other, less fortunate workers. Ironically enough, it is usually the neediest workers of all who are the most cruelly exploited by our present system of union monopoly.

Where union monopoly exists—where present law not only allows a single union to act as the sole bargaining agent for the work force of an entire industry, but compels workers to join that union simply to hold a job in that industry—injustice is the inevitable result. Blacks and other minorities are victimized by institutional racism, the unskilled are priced out of the job market by union-backed minimum wage laws, and students and other seasonal workers are ripped off because of their part-time status.

The exploitation of our young students by the union monopoly system is particularly disgraceful. Attempting to earn tuition or spending money through part-time or summer jobs, they frequently find themselves forced to hand over a substantial part of their limited wages in the form of union dues simply to be able to work at all.

The case of a 16-year-old high school student, who was forced to join a union even though he only worked one day a week sacking groceries, is typical. In a letter to the Missouri House Labor Committee, the youth complained.

"I went to the Union Hall and told them I was only working one day a week and really couldn't afford to join the union and pay dues out of my small pay. They said if I wanted to keep my job, I must be one of their members.

My folks advanced me the initiation fee and first month's dues. Since then I have been paying my own monthly dues. The dues started out at $6 per month and on Jan. 1, they were raised to $7 per month. One month I was two days late and they made me pay a $1 penalty. They also said that I must attend their meetings or pay a $5 fine.

All through school I was taught that freedom is the greatest thing we have over all the other countries of the world. What I can't understand now is why I don't have the same freedom in keeping my job."

It might be added that most students receive nothing in return for the money they pay in dues. None are likely to benefit from union pension plans that take 10 years to vest, and many do not even remain on the job long eough to qualify for union health insurance and other benefits.

The injustice of this situation has prompted many students throughout the

country to agitate for a national Student Right to Work Law—a federal law to exempt students from having to join a union in order to hold a job. Such legislation would be a significant step toward correcting the abuses of union monopolies.

But in the final analysis, the best way to deal with union monopolies is by the same method used to deal with business monopolies: namely by the application of our antitrust laws to labor unions as well as to corporations.

Mr. FANNIN. Mr. President, a number of newspapers, including the Chattanooga, Tenn. News-Free Press and the Longview, Tex. Journal have also endorsed the principle of right to work for students. I ask unanimous consent that these editorials from these newspapers be printed in the RECORD.

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

[From the Chattanooga (Tenn.), News-Free Press, Sept. 27, 1975]

STUDENTS' RIGHT TO WORK

The Missouri high school boy got a job sacking groceries one day a week. That was good; it would help him and his family meet expenses while in school. But he found out that he had to join a union if he wanted to work, and that wasn't good at all.

He didn't need the union, but the union said he had to be a member to keep working. That means initiation fee and dues, first costing $6 a month and then raised to $7. One month he was two days late and they invoked a $1 penalty. Also, he was told he had to attend meetings or pay a $5 fine.

All this, in order to have the right to work, sacking groceries one day a week.

Small wonder the boy wrote to the Missouri House Labor Committee, "All through school I was taught that freedom is the greatest thing we have over all the other countries of the world. What I can't understand now is why I don't have the same freedom in keeping my job."

The story was recounted by H. C. Gordon, research writer for the United States Industrial Council. It was given as an example of the exploitation of our young students by the union monopoly system," which he calls "particularly disgraceful." Mr. Gordon adds:

"The injustice of this situation has prompted many students throughout the country to agitate for a national Student Right to Work Law—a federal law to exempt students from having to join a union in order to hold a job. Such legislation would be a significant step toward correcting the abuses of union monopolies.

That's absolutely correct, although the right to work should be universally guaranteed all citizens, not just students. Mr. Gordon has a thought about making a start in such a direction:

"In the final analysis, the best way to deal with union monopolies is by the same method used to deal with business monopolies: namely, by the application of our antitrust laws to labor unions as well as to corporations."

[From the Longview (Tex.) Journal]

STUDENT RIGHT-TO-WORK LAWS: ARE THEY NEXT?

It used to be that a young man could lay a few dollars aside for college by taking a part-time job somewhere and putting the proceeds into the sock. It's getting harder to do in some areas, it seems, because in a lot of cases he must split his take with a union in order to hold his job.

The U.S. Industrial Council in a recent research report says that there is some agitation over the country for a students' right-to-work law. It cited a letter written by a Missouri youth to the Labor Committee of his state's House of Representatives. He had a job sacking groceries one day a week, and he had to pay dues to a union to keep the job. He wrote to the legislature body:

"I went to the Union Hall and told them I was only working one day a week and really couldn't afford to join the union and pay dues out of my small pay. They said if I wanted to keep my job, I must be one of their members.

"My folks advanced me the initiation fee and first month's dues. Since then I have been paying my own monthly dues. The dues started out at $6.00 per month and on January 1st they were raised to $7.00 per month. One month I was two days late and they made me pay a $1.00 penalty. They also said that I must attend their meetings or pay a $5.00 fine.

"All through school I was taught that freedom is the greatest thing we have over all the other countries of the world. What I can't understand now is why I don't have the same freedom in keeping my job."

Few benefits accrue to the student for his dues. He seldom stays on his job long enough to qualify for the pension plan because he acquires a vested interest in it only after 10 years. Not many of them stay on this type of job even long enough to qualify for the health insurance plans.

Barely a quarter of the work force in America is unionized, but we have seen in the present session of the Congress how great its power is. An effort is under way now to ram a "common situs" bill through the Congress which would permit a union to close down an entire construction site if it had a complaint only against a minor subcontractor involved in the project.

The reason for the strength of a minority of the labor force is that the ones who are organized are the "blue collar elite"—the skilled crafstmen—whose skills are indispensable. And the system, where right-to-work laws are not in force, works to increase the power of the organized leaders through forcing the unskilled and semi-skilled to join the union to hold their jobs.

Texas has a right-to-work law, and so long as Taft-Hartley's Section 14(b) remains in force it will guarantee jobs to everyone, union or not. But even 14(b) is also under siege by the AFL-CIO.

An interesting recent report showed that in states which have right-to-work laws, unemployment is about 4.6 per cent while in other states it averages 6.3 per cent. Per capita income in the right-to-work states has risen 53 per cent since 1969, as compared to 49.9 per cent in compulsory unionism states.

And the two cities with the lowest cost-of-living levels in the nation were found to be Austin, Texas and Orlando, Fla., both in right-to-work states.

This should tell the Congress something, but it probably won't.

Mr. FANNIN. Mr. President, I would like to cite one other case history. In Las Vegas, Nev., the Culinary Union, Local 226, has represented hundreds of working students who are employed in local restaurants and hotels as waitresses, waiters, busboys, and short-order cooks. Students there were forced to seek employment through the union's hiring hall which surveyed all job applicants and screened out those who would not join. Union dues, with an initiation fee of $25 to $30, were mandatory from each student. Some students balked. Like Kenneth Possenriede, they were aghast at learning about compulsory union membership. They were told they would enjoy many benefits from such membership, such as health insurance, but coverage would commence 90 days after their initial employment, which would begin at the end of the summer job. Pension benefits would not begin until they had 10 years of continuous employment. Obviously, Kenneth's short tenure as a waiter precluded such "benefits."

Mr. President, there are hundreds of similar stories about working students which I could recount. In light of these case histories, it is not surprising that the right-to-work principle has gained considerable support among students just as it is receiving greater acceptance among the American people as a whole. In fact, the right to choose whether one will join a union in order to work for a living is the opinion held by a vast majority of our Nation's youth between the ages of 18 and 29. According to a recent nationwide survey by Opinion Research Corp. of Princeton, N.J., 79 percent of all U.S. citizens between 18 and 29 oppose the forced unionization of public employees—January 1975 "Caravan Survey"—and 69 percent of those young people, according to an April 1974 survey, oppose compulsory unionism for industrial workers. These figures were slightly higher than comparable figures for the general public.

As a result, a nationwide effort is being made to exempt students from the National Labor Relations Act's compulsory unionism provision. The effort to secure a students' right-to-work bill is being promoted by a number of student leaders on campuses throughout the country.

Terry Campo, a student in Springfield, Ill., was cosponsor of a right-to-work bill in the Illinois YMCA mock legislature. Besides being concerned about the cost of union dues and assessments for students who work only a few weeks in the year, Terry also questioned the effect of compulsory unionism on teachers.

In an appearance before an Illinois State Senate committee, Terry asked:

How can a teacher be objective when subjected to an agreement that destroys individual freedom of choice? How can he present a view other than his labor organization's when he knows that he will lose his job if he leaves the union? How can an American History teacher teach his students about how this country was founded on the principle of individual freedom when his own freedom has been denied?

Terry Campo's bill passed by an overwhelming vote.

Mr. President, Terry Campo was a recipient of the National Right to Work Committee's merit award this year. Recently he wrote to me about the need for student right-to-work legislation. In his letter he stated:

My first experience with the Right to Work principle came when I served as a delegate in the Illinois Youth Legislature. There I was the author and cosponsor of a general Right to Work proposal, which was very well received by my fellow delegates. Throughout the legislative session I received many favorable comments on our bill; and, in the closing hours of the session, a number of delegates sacrificed their own proposals in order that the Right to Work bill could be brought to the floor. But, frankly, I was surprised when several youth legislators informed me that they had been the victims of compulsory unionism.

Students are particularly victimized by forced-union participation because they must pay the same compulsory fees as other workers; yet, because of the length of their

employment, do not qualify for many of the so-called benefits they have paid for. Not only do they pay a greater portion of their income than other workers, but often the money earned during part-time or summer employment is necessary to continue their education. Thus, forced-unionism may prevent some from ever becoming economically independent.

But, I am sure that you question whether young people will take an interest in such a proposal. I have found them to be appalled that compulsory unionism exists, and feel that a Right to Work bill aimed particularly at students would excite their attention. Further, organizations such as Young Republicans and YAF, who have both endorsed the Student Right to Work proposal, could form the nucelus of a nation-wide push for this bill.

The potential supporters and interest in Student Right to Work legislation is there. I believe that our job is to tap it.

Steve Seibert, a philosophy student at George Washington University decided to do something about the problems of Rapp, Campo, and a multitude of other students. This young man from Madison, Wis., prepared a proposed national student right-to-work bill for which he is seeking sponsors in Congress and in the State legislatures.

Mr. President, I am pleased to introduce today a bill similar to Steve's which would incorporate the principle he and other young people have advocated for guaranteed freedom of choice in labor relations for working students.

Because of the importance of this matter to the students of our country, I hope that the Labor and Public Welfare Committee, to which this bill is referred, will give serious and prompt attention to this legislation so that the Congress will have an early opportunity to act on it.

By Mr. HARTKE (for himself, Mr. TALMADGE, Mr. RANDOLPH, Mr. CRANSTON, Mr. STONE, Mr. DURKIN, Mr. HANSEN, Mr. THURMOND, Mr. STAFFORD, and Mr. HELMS):

S. 3596. A bill to amend title 38, United States Code, to increase the rates of disability compensation for disabled veterans; to increase the rates of dependency and indemnity compensation for their survivors; and for other purposes. Referred to the Committee on Veterans' Affairs.

VETERANS DISABILITY COMPENSATION AND SURVIVOR BENEFITS ACT OF 1976

Mr. HARTKE. Mr. President, today I introduce the Veterans Disability Compensation and Survivors Benefits Act of 1976. Joining me as principal cosponsors of this measure are the members of the Veterans' Affairs Committee. These include Senator TALMADGE, the hard working, distinguished chairman of the Subcommittee on Compensation and Pensions, together with Senators JENNINGS RANDOLPH, ALAN CRANSTON, RICHARD STONE, and JOHN DURKIN. Continuing the strong tradition of bipartisanship in veterans' legislation, I am also pleased that all of the minority members of the committee, including Senators CLIFFORD HANSEN, STROM THURMOND, and ROBERT STAFFORD, have joined in cosponsoring this measure.

Mr. President, the measure I introduce today provides cost-of-living increases in compensation and survivors' benefits in addition to making other needed improvements and adjustments to the two programs. As all of you are aware, compensation is paid to those veterans with service-connected disabilities and DIC benefits are paid to those survivors of veterans who died of service-connected causes.

Briefly, the Veterans Disability Compensation and Survivor Benefits Act of 1976 would:

First, provide an 8 percent cost-of-living increase in basic compensation rates and provide an 8 percent increase in statutory awards relating to more serious disabilities;

Second, provide an 8 percent in additional allowance paid veterans rated 50 percent or more disabled or for spouses, children and dependent parents;

Third, provide an 8 percent in dependency and indemnity compensation (DIC) rates and provide a similar 8 percent in benefits for dependent children and spouses and attendance rates;

Fourth, when there is no surviving spouse, provide an 8-percent increase in rates payable to children of veterans who have died of service-connected disabilities;

Fifth, provide an 8-percent increase in DIC benefits paid to children who have become permanently incapable of self-support due to disability incurred prior to the age of 18;

Sixth, directs the Administrator to carry out a thorough study of the dependency and indemnity compensation program to measure and evaluate the adequacy of benefits and to determine whether such benefits should be based on the former military pay grade of the deceased veteran;

Seventh, increases from $175 to $190 the annual clothing allowance paid certain seriously disabled veterans whose disability tends to wear out or tear their clothing;

Eighth, increases from $30,000 to $40,000 the VA mortgage protection life insurance available for certain severely disabled veterans eligible for and living in specially adapted housing;

Ninth, extends eligibility for the VA automobile and adaptive equipment program to certain disabled veterans who served prior to World War II;

Tenth, authorizes VA payment for the cost of transportation to a national cemetery for burial of the remains of deceased disabled veterans;

Eleventh, includes "annulment" as a form of dissolution of marriage in application of the "end of the year" rule in establishing the effective date of reduction or discontinuance of compensation, DIC, or pension as a result of such action; and

Twelfth, makes numerous technical amendments to chapter 11, Disability Compensation, and chapter 13, Dependency and Indemnity Compensation including the elimination of unwarranted or inappropriate gender references.

As contemplated by the congressional budget process, all provisions of this act would become effective on October 1, 1976, the beginning of the new fiscal year.

The Subcommittee on Compensation and Pension, so ably chaired by the Senator from Georgia (Mr. TALMADGE), will hold hearings on this measure in the near future. I am confident that both the subcommittee and the full Committee on Veterans' Affairs can expeditiously complete action on this measure with consideration by the full Senate and enactment before the new fiscal year begins October 1, 1976.

There are currently 2.2 million veterans including 435,800 Vietnam-era veterans—receiving disability payments to compensate for the loss or reduction of earning capacities resulting from their service-connected injuries. There are another 367,000 widows and children of veterans who have died of service-connected causes receiving survivor benefits known as dependency and indemnity compensation—DIC.

Mr. President, I ask unanimous consent to have printed in the RECORD a table showing average cost and caseload of veterans disability and compensation costs by period of service.

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

TABLE 1.—AVERAGE COST AND CASELOAD OF VETERANS, DISABILITY, AND SURVIVOR COMPENSATION CASES

Total costs	Fiscal year 1975			Fiscal year 1976 (estimate)			Fiscal year 1977 (estimate)		
	Average cases	Average cost	Total cost	Average cases	Average cost	Total cost	Average cases	Average cost	Total cost
Compensation—Total	2,583,749	$1,803	$7,544,382 4,657,497	2,586,572	$1,994	$8,253,205 5,157,332	2,583,700	$2,013	$8,153,417 5,199,961
Veterans—Total	2,213,887	1,715	3,797,330	2,218,616	1,896	4,207,168	2,217,512	1,914	4,246,038
Spanish-American War	11	7,139	79	7	7,996	56	5	7,996	40
Mexican border period	11	8,040	88	9	9,005	81	7	9,005	63
World War I	56,657	2,352	133,262	49,900	2,590	129,239	43,700	2,604	113,812
World War II	1,318,136	1,589	2,094,047	1,294,500	1,759	2,276,669	1,269,000	1,779	2,257,983
Korean Conflict	240,034	1,932	463,762	239,800	2,128	510,337	239,700	2,142	513,451
Vietnam Era	405,812	1,823	739,926	440,000	2,011	884,995	469,000	2,023	948,893
Peacetime service	193,226	1,895	366,166	194,400	2,087	405,791	196,100	2,099	411,796
Survivors—Total	369,862	2,326	860,167	367,956	2,582	950,164	366,188	2,605	953,923

TABLE 1—AVERAGE COST AND CASELOAD OF VETERANS, DISABILITY, AND SURVIVOR COMPENSATION CASES—Continued

Total costs	Fiscal year 1975			Fiscal year 1976 (estimate)			Fiscal year 1977 (estimate)		
	Average cases	Average cost	Total cost	Average cases	Average cost	Total cost	Average cases	Average cost	Total cost
Indian Wars	1	2,064	2	1	2,312	2	1	2,312	2
Civil War	9	2,446	22	8	2,739	22	5	2,739	14
Spanish-American War	264	2,753	727	245	3,083	755	230	3,083	709
Mexican border period	3	2,010	6	2	2,251	5	2	2,251	5
World War I	35,358	2,756	97,462	34,400	3,048	104,834	33,500	3,074	102,967
World War II	194,091	1,977	383,777	190,200	2,181	414,786	186,408	2,191	408,494
Korean Conflict	39,274	2,251	88,392	39,200	2,490	97,627	39,150	2,509	98,208
Vietnam Era	52,348	2,925	153,129	55,500	3,256	180,730	58,600	3,268	191,522
Peacetime service	48,514	2,817	136,650	48,400	3,128	151,403	48,300	3,147	152,020

Mr. HARTKE. Mr. President, it has been traditional practice under normal circumstances for the Committee to review the rates of disability compensation and DIC every 2 years. Continuing inflation, however, has led to review on an annual basis. Benefits were increased in 1974 and again last year when we enacted my bill, the Veterans Disability Compensation and Survivor Benefits Act of 1975—Public Law 94-71—which provided increases of 10 percent in the rates for disability compensation for those veterans rated 50 percent or less disabled and a 12-percent increase for more severely disabled veterans rated 60 percent to totally and permanently disabled. A 10-percent cost-of-living increase was also provided in the rates of additional compensation for dependents of veterans whose disability was rated 50 percent or more. In addition, we provided a 12-percent cost-of-living increase in the rates payable for dependency and indemnity compensation—DIC—for widows and children, as well as for additional allowances for those in receipt of DIC and death compensation in need of aid and attendance.

Compensation and DIC rates were last increased effective August 1, 1975. Based on changes on the consumer price index to date, together with projected increases to October 1, 1976, as estimated by the President's Council on Economic Advisers, an 8-percent increase in rates will be required to protect the purchasing power of benefits paid to disabled veterans and survivors. The following table indicates rates payable under current law and those proposed by the Veterans Disability Compensation and Survivors Benefits Act of 1976 together with the number of eligible veterans in each disability category:

TABLE 2.—COMPARISON OF COMPENSATION RATES UNDER PRESENT LAW AND UNDER S. 3596

	Increase		Number of veterans
	From	To	
Percentage of disability or subsection under which payment is authorized:			
(a) 10 percent	$35	$38	868,986
(b) 20 percent	65	70	345,985
(c) 30 percent	98	106	313,717
(d) 40 percent	134	145	181,671
(e) 50 percent	188	203	112,816
(f) 60 percent	236	255	118,559
(g) 70 percent	280	302	80,453
(h) 80 percent	324	350	38,816
(i) 90 percent	364	393	13,409
(j) 100 percent	655	707	122,719
Higher statutory awards for certain multiple disabilities:			
(k) (1) Additional monthly payment for anatomical loss or loss of use of any of these organs: 1 foot, 1 hand, blindness in 1 eye (having light perception only), 1 or more creative organs, both buttocks, organic aphonia (with constant inability to communicate by speech), deafness of both ears (having absence of air and bone conduction)—for each loss	52	56	
(2) Limit for veterans receiving payments under (a) to (j) above	814	879	85,488
(3) Limit for veterans receiving payments under (l) to (n) below	1,139	1,231	
(l) Anatomical loss or loss of use of both hands, both feet, 1 foot and 1 hand, blindness in both eyes (5/200 visual acuity or less), permanently bedridden or so helpless as to require regular aid and attendance	814	879	6,695
(m) Anatomical loss or loss of use of 2 extremeties so as to prevent natural elbow or knee action with prosthesis in place, blind in both eyes, either with light perception only or rendering veteran so helpless as to require regular aid and attendance	896	968	2,846
(n) Anatomical loss of 2 extremeties so near shoulder or hip as to prevent, use of prosthesis or anatomical loss of both eyes	1,018	1,099	357
(o) Disability under conditions entitling veteran to 2 or more of the rates provided in (l) through (n), no condition being considered twice in the determination, or deafness rated at 60 percent or more (impairment of either or both ears service-connected) in combination with total blindness (5/200 visual acuity or less)	1,139	1,231	29
(p) (1) If disabilities exceed requirements of any rates prescribed, Administrator of VA may allow next higher rate or an intermediate rate, but in no case may compensation exceed			
(2) Blindness in both eyes (with 5/200 visual acuity or less) together with (a) bilateral deafness rated at 40 percent or more disabling (impairment of either or both ears service-connected) next higher rate is payable, or (b) service-connected total deafness of 1 ear next intermediate rate is payable, but in no event may compensation exceed	1,139	1,231	6,611
(q) [This subsection repealed by Public Law 90-493.]			
(r) If veteran entitled to compensation under (o) or to the maximum rate under (p), and is in need of regular aid and attendance, he shall receive a special allowance of the amount indicated at right for aid and attendance in addition to (o) or (p) rate	489	528	8,303
(s) Disability rated as total, plus additional disability independently ratable at 60 percent or over, or permanently housebound	732	791	6,946

In addition to basic compensation rates and/or statutory awards to which the veteran may be entitled dependency allowances are payable to veterans who are rated at not less than 50 percent disabled. The rates which follow are those payable to veterans while rated totally disabled. If the veteran is rated 50, 60, 70, 80, or 90 percent disabled, dependency allowances are payable in an amount bearing the same ratio to the amount specified below as the degree of disability bears to total disability. The following table shows rates payable under current law and those contemplated under the measure introduced today:

TABLE 3.—ADDITIONAL DEPENDENTS ALLOWANCES PAID TO CERTAIN DISABLED VETERANS

	Increase	
	From	To
If and while veteran is rated totally disabled and—		
(a) has a wife but no child living	$40	$43
(b) has a wife and one child living	67	72
(c) has a wife and two children living	85	92
(d) has a wife and three or more children living	105	113
(plus for each living child in excess of three)	19	21
(e) has no wife but one child living	26	28
(f) has no wife but two children living	45	49
(g) has no wife but three or more children living	67	72
(plus for each living child in excess of three)	19	21
(h) has a mother or father, either or both dependent upon him for support for each parent so dependent	32	35
(i) for each child who has attained age 18 and who is pursuing a course of instruction at an approved educational institution	61	66

The bill would increase from $175 to $190 the annual clothing allowance. This is a special clothing allowance for veterans who because of a compensable disability wear or use a prosthetic appliance which tends to tear or wear out their clothing and was first authorized in 1972 by enactment of Public Law 92–328. The clothing allowance was first authorized then because previous law had proved to be inadequate. Prior to that time, the Administrator had been authorized to furnish "special clothing" made necessary by the wearing of prosthetic appliances. The law did not, however, authorize furnishing a replacement of conventional clothing by reason of extraordinary wear and tear occasioned by the use of a prosthetic appliance. For this reason, Congress authorized a $150 annual clothing allowance.

Last year, the first increase in the clothing allowance since 1972—to $175—was provided to cover changes in the Consumer Price Index. The increase from $175 to $190 in the bill introduced today is further justified by increases in the cost of living.

A similar 8-percent increase is provided in the dependency and indemnity compensation program for surviving spouses and children of veterans who died of service-connected causes.

Current rates payable and those proposed are shown in the following table:

TABLE 4.—COMPARISON OF DIC RATES UNDER PRESENT LAW AND S. 3596

	From	To
Pay grade:		
E–1	$241	$260
E–2	248	268
E–3	255	275
E–4	270	292
E–5	278	300
E–6	284	307
E–7	298	322
E–8	315	340
E–9	[1] 329	355
W–1	304	328
W–2	316	341
W–3	326	352
W–4	344	372
O–1	304	328
O–2	315	340
O–3	337	364
O–4	356	384
O–5	392	423
O–6	441	476
O–7	478	516
O–8	523	565
O–9	562	607
O–10 [2]	[2] 615	664

When there is no surviving spouse receiving dependency and indemnity compensation, payment is made in equal shares to the children of the deceased veteran. These rates are as follows:

(1) one child, from $121 to $131;

(2) two children, from $175 to $189;

(3) three children, from $225 to $243; and

(4) more than three children, from $225 plus $45 for each child in excess of three to $243 plus $49 for each child in excess of three.

The additional payment to a child who has attained the age of 18 and who became permanently incapable of self-support while under such age is increased from $72 to $78.

As the foregoing reveals, DIC benefits are currently predicated on the former military pay grade of the deceased veteran. Whether these benefits are adequate and whether and to what extent they should be based on the deceased veteran's former military rank is to be the subject of a thorough and detailed study to be conducted by the Administrator. Without prejudging the results, it is my conviction that such an examination, which is long overdue, may well reveal that there are many widows who are receiving inadequate benefits today.

Another provision of the bill introduced today would increase the mortgage protection life insurance amount for certain service-connected disabled veterans.

Currently, the Veterans' Administration, under section 806 of title 38, United States Code (Public Law 92–95) is authorized to purchase a commercial policy to provide mortgage protection life insurance for seriously disabled veterans who have received grants for specially adapted housing under chapter 21, title 38 of the United States Code. The program is supervised by the VA and administered by the Bankers Life Insurance Co. of Lincoln, Nebr. Veterans eligible for housing assistance grants under chapter 21 are principally service-connected quadriplegics, paraplegics, and others who require the use of a wheelchair. The Administrator is authorized to purchase a mortgage insurance policy for specially adapted housing of up to $30,000. Under this provision, the veteran pays the standard premium rate which is deducted from the veteran's compensation payment. The Veterans' Administration pays the additional premium occasioned by the veteran's disability. The amount of insurance provided is reduced as the mortgage is amortized. In testimony before the Committee on Veterans' Affairs when the committee was originally considering mortgage protection life insurance coverage, the Veterans' Administration stated:

Few, if any, of these veterans can obtain mortgage protection from commercial sources. The veterans have suffered greatly and deserve our most sympathetic understanding and consideration.

The Veterans' Administration spokesman further acknowledged that—

. . . the life expectancy of many of the veterans of this group have been shortened by their service connected disabilities, and that following their death, the income of their widows or other survivors generally is substantially reduced.

The cost of the Veterans' Mortgage Life Insurance program is rather small and is estimated at $2.4 million for fiscal year 1976. As of December 1975, 315,335 veterans held mortgage protection life insurance in the amount of $147.5 million.

Mr. President, my bill would increase the protection from $30,000 to $40,000. Mortgage protection life insurance was first approved on August 11, 1971. Since that time the cost of living has increased by almost 38 percent, which more than justifies the increase in coverage proposed in our bill.

Mr. President, my bill would also amend chapter 39 of title 38, United States Code, to extend eligibility under the VA automobile and adaptive equipment program to veterans who served prior to World War II.

Currently, only veterans who served during World War II or thereafter are eligible for assistance in providing an automobile or other conveyance.

The program of basic automobiles assistance grants was established by the Congress in Public Law 79–663, enacted on August 8, 1946. Under that law, certain disabled veterans of World War II—with service between December 7, 1941, and December 31, 1946—were provided with, or assisted in the purchase of an automobile or other conveyance. Public Law 82–187, enacted on October 20, 1951, extended these benefits to veterans of the Korean conflict—with service between June 27, 1950, and January 31, 1955. Public Law 90–77, effective October 1, 1967, further extended these benefits to any veteran with service after January 31, 1955, who met eligibility requirements under a more restrictive criterion of having a disability incurred in line of duty as a direct result of performance of military duty, rather than under the standard service-connection criterion applied to World War II and Korean conflict veterans of having a disability resulting from an illness or injury sustained or aggravated in service in the line of duty.

Public Law 91–666, enacted December 31, 1970, and effective on January 11, 1971, increased the maximum amount payable toward the purchase of an automobile or other conveyance from $1,600 to $2,800. The law, also provided for the first time for VA payment for necessary adaptive equipment, as well as for the maintenance, replacement, and installation thereof. The 1971 Act also mandated that the VA establish safety standards for that equipment in order to assure the safe operation of the automobile or other conveyance and to satisfy the applicable standards of licensure by the proper licensing authority.

Public Law 93-583, enacted December 22, 1974, changed the definition of "eligible person" to include any veteran of service after World War II. The effect of that law was, first, to extend eligibility for benefits to veterans of service between the date of termination of World War II and the date of the beginning of the Korean conflict; second, the law provided that all determinations of eligibility under chapter 39 were to be based on a single service-connected standard—the disability is the result of service—rather than the more restrictive criterion applied to post-Korean conflict veterans of the Vietnam era. The maximum assistance was raised from $2,800 to $3,300. Assistance was also increased by directing the Administrator of the Veterans' Administration to provide, directly or by contract, for the conduct of special driver training courses at every VA hospital and, where appropriate, at VA regional offices and VA medical facilities other than hospitals.

Under my bill, basic assistance under chapter 39 would be extended to eligible veterans regardless of when they served. I have examined the rationale for limiting eligibility to those veterans who served during World War II or thereafter, and I believe the Congress intended to provide this assistance to veterans who, as a result of their service-connected disability, require special equipment in order to operate a motor vehicle. The maximum possible number of eligible veterans involved is 3,338 and the number who will be able to take practical advantage of the program is probably much less. While the number of veterans prior to World War II who will qualify and utilize the extended eligibility under my bill is quite small, I believe it equitable to make this program available to all veterans regardless of when they served.

Mr. President, the bill introduced today would also authorize payment of the cost of transportation of the body of a deceased veteran who dies as the result of a service-connected disability, or was in receipt of—or but for the receipt of retirement pay or pension under this title would have been entitled to—disability compensation for burial in a national cemetery. The payment shall not exceed the cost of transportation from the veteran's last place of residence to the nearest national cemetery with burial space available. This payment would be in addition to any amount paid pursuant to the provisions of sections 902 and 907 of title 38, United States Code.

It is estimated that there will be approximately 12,000 service-connected deaths during each of the first 5 fiscal years. The number of these veterans who will be buried in a national cemetery is unknown at this time.

Mr. President, the bill that I introduce today would also remove unwarranted or inappropriate gender references contained in disability compensation and dependency and indemnity compensation provisions of title 38, United States Code. During the 94th Congress, the Committee on Veterans' Affairs has consistently reported legislation which recommended the removal of unnecessary gender references in provisions of title 38. Women veterans have served their country admirably when called upon and many are now receiving disability compensation for a service-connected disability. Currently, 18,940 women veterans are in receipt of service-connected disability compensation.

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. 3596

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 "Veterans Disability Compensation and Survivor Benefits Act of 1976".

TITLE I—VETERANS DISABILITY COMPENSATION

SEC. 101. (a) Section 314 of title 38, United States Code, is amended—

(1) by striking out in subsection (a) "$35" and inserting in lieu thereof "$38";

(2) by striking out in subsection (b) "$65" and inserting in lieu thereof "$70";

(3) by striking out in subsection (c) "$98" and inserting in lieu thereof "$106";

(4) by striking out in subsection (d) "$134" and inserting in lieu thereof "$145";

(5) by striking out in subsection (e) "$188" and inserting in lieu thereof "$203";

(6) by striking out in subsection (f) "$236" and inserting in lieu thereof "$255";

(7) by striking out in subsection (g) "$280" and inserting in lieu thereof "$302";

(8) by striking out in subsection (h) "$324" and inserting in lieu thereof "$350";

(9) by striking out in subsection (i) "$364" and inserting in lieu thereof "$393";

(10) by striking out in subsection (j) "$655" and inserting in lieu thereof "$707";

(11) by striking out in subsection (k) "$52" and "$814" and "$1,139" each time they appear and inserting in lieu thereof "$56" and "$879" and "$1,231", respectively;

(12) by striking out in subsection (l) "$814" and inserting in lieu thereof "$879";

(13) by striking out in subsection (m) "$896" and inserting in lieu thereof "$968";

(14) by striking out in subsection (n) "$1,018" and inserting in lieu thereof "$1,099";

(15) by striking out in subsections (o) and (p) "$1,139" each time it appears and inserting in lieu thereof "$1,231";

(16) by striking out in subsection (r) "$489" and "3203(f)" and inserting in lieu thereof "$528" and "$3203(e)", respectively; and

(17) by striking out in subsection (s) "$732" and inserting in lieu thereof "$791".

(b) The Administrator of Veterans' Affairs may adjust administratively, consistent with the increases authorized by this section, the rates of disability compensation payable to persons within the purview of section 10 of Public Law 85-857 who are not in receipt of compensation payable pursuant to chapter 11 of title 38, United States Code.

SEC. 102. Section 315(1) of title 38, United States Code, is amended—

(1) by striking out in subparagraph (A) "$40" and inserting in lieu thereof "$43";

(2) by striking out in subparagraph (B) "$67" and inserting in lieu thereof "$72";

(3) by striking out in subparagraph (C) "$85" and inserting in lieu thereof "$92";

(4) by striking out in subparagraph (D) "$105" and "$19" and inserting in lieu thereof "$13" and "$21", respectively;

(5) by striking out in subparagraph (E) "$26" and inserting in lieu thereof "$28";

(6) by striking out in subparagraph (F) "$45" and inserting in lieu thereof "$49";

(7) by striking out in subparagraph (G) "$67" and "$19" and inserting in lieu thereof "$72" and "$21", respectively;

(8) by striking out in subparagraph (H) "$32" and inserting in lieu thereof "$35"; and

(9) by striking out in subparagraph (I) "$61" and inserting in lieu thereof "$66";

TITLE II—SURVIVORS DEPENDENCY AND INDEMNITY COMPENSATION

SEC. 201. Section 411 of title 38, United States Code, is amended to read as follows:

"§ 411. Dependency and indemnity compensation to a surviving spouse

"(a) Dependency and indemnity compensation shall be paid to a surviving spouse, based on the pay grade of the person upon whose death entitlement is predicated, at monthly rates set forth in the following table:

"Pay grade	Monthly rate
E-1	$260
E-2	268
E-3	275
E-4	292
E-5	300
E-6	307
E-7	322
E-8	340
E-9	[1] 355
W-1	328
W-2	341
W-3	352
W-4	372
O-1	328
O-2	340
O-3	364
O-4	384
O-5	423
O-6	476
O-7	516
O-8	565
O-9	607
O-10	[2] 664

"[1] If the veteran served as sergeant major of the Army, senior enlisted advisor of the Navy, chief master sergeant of the Air Force, sergeant major of the Marine Corps, or master chief petty officer of the Coast Guard, at the applicable time designated by sec. 402 of this title, the surviving spouse's rate shall be $382.

"[2] If the veteran served as Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, or Commandant of the Marine Corps, at the applicable time designated by sec. 402 of this title, the surviving spouse's rate shall be $712.

"(b) If there is a surviving spouse with one or more children below the age of eighteen of a deceased veteran, the dependency and indemnity compensation paid monthly to the surviving spouse shall be increased by $31 for each such child.

"(c) The monthly rate of dependency and indemnity compensation payable to a surviving spouse shall be increased by $78 if the spouse is (1) a patient in a nursing home or (2) helpless or blind, or so nearly helpless or blind as to need or require the regular aid and attendance of another person.".

SEC. 202. Section 413 of title 38, United States Code, is amended to read as follows:

"Whenever there is no surviving spouse of a deceased veteran entitled to dependency and indemnity compensation, dependency and indemnity compensation shall be paid in equal shares to the children of the deceased veteran at the following monthly rates:

"(1) one child, $131;

"(2) two children, $189;

"(3) three children, $243; and

"(4) more than three children, $243, plus $49 for each child in excess of three.".

SEC. 203. Section 414 of title 38, United States Code, is amended—

(1) by striking out in subsection (a) "$72" and inserting in lieu thereof "$78";

(2) by striking out in subsection (b) "$121" and inserting in lieu thereof "$131"; and

(3) by striking out in subsection (c) "$62" and inserting in lieu thereof "$67".

SEC. 204. (a) The Administrator shall carry out a thorough and detailed study of the dependency and indemnity compensation program authorized under chapter 13 of this title and of its beneficiaries to measure and evaluate the adequacy of benefits provided under this program and to determine whether, or to what extent, benefits should be based on the military pay grade of the person upon whose death entitlement is predicated.

(b) The report of such study shall include such full statistical data as may be obtained concerning surviving spouses and dependents in receipt of dependency and indemnity compensation other than under section 415 of title 38, United States Code, and in each instance the data shall include a breakdown of the distribution of the surviving spouses and dependents amongst the pay grade levels set forth in section 411(a) of title 38, United States Code. Data concerning such surviving spouses and dependents shall include (1) full statistical information concerning the number and ages of surviving spouses and dependents, the number of surviving spouses that remarry, the number of surviving spouses with dependents, and the number of surviving spouses in receipt of aid and attendance; (2) full statistical information concerning the number of surviving spouses and the number of dependents in receipt of old-age, survivors, and disability insurance (OASDI) cash benefits and the amount and type thereof, the number of surviving spouses and the number of dependents in receipt of other Federal or State assistance and the amount and type thereof, the number of surviving spouses in receipt of State survivor benefits and the amount and type thereof to include a breakdown by State, and the number of surviving spouses who work and their earnings therefrom; (3) full statistical information concerning the education attainment of the survivor's deceased spouse; and (4) full statistical information concerning those surviving spouses whose veteran spouse was in receipt of disability compensation pursuant to chapter 11 of title 38, prior to death and the rating of disability thereof.

(c) The report together with such comments and recommendations by the Administrator for improving the program as are appropriate shall be submitted to the Congress and the President not later than February 1, 1977.

TITLE III—OTHER DISABLED VETERANS' PROGRAM IMPROVEMENTS

SEC. 301. Section 362 of title 38, United States Code, is amended by striking out "$175" and inserting in lieu thereof "$190".

SEC. 302. Section 806 of title 38, United States Code, is amended by striking out in subsection (c) "$30,000," and inserting in lieu thereof "$40,000,".

SEC. 303. Section 1901 of title 38, United States Code, is amended—

(1) by striking out in paragraph (1) before the colon at the end of clause (A) "during World War II or thereafter"; and

(2) by striking out in paragraph (1) before the period at the end of clause (B) "during World War II or thereafter".

SEC. 304. Chapter 23 of title 38, United States Code, is amended by adding at the end thereof the following new section:

"§ 908. Transportation of deceased veterans to a national cemetery

"Where a veteran dies as the result of a service-connected disability, or is in receipt of (but for the receipt of retirement pay or pension under this title would have been entitled to) disability compensation, the Administrator, in his discretion, having due regard to the circumstances in each case may pay, in addition to any amount paid pursuant to section 902 or 907 of this title, the cost of transportation of the deceased veteran for burial in a national cemetery. Such payment shall not exceed the cost of transportation to the national cemetery nearest the veteran's last place of residence in which burial space is available.".

(b) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following:

"908. Transportation of deceased veterans to a national cemetery.".

TITLE IV—MISCELLANEOUS AND TECHNICAL AMENDMENTS AND EFFECTIVE DATE PROVISIONS

SEC. 401. Chapter 11 of title 38, United States Code, is amended—

(1) by striking out in the table of sections at the beginning of such chapter 11

"356. Minimum rating for arrested tuberculosis.";

(2) by striking out in paragraph (3) of section 301 "Leprosy" and inserting in lieu thereof "Hansen's disease";

(3) by striking out in paragraph (4) of section 301 "Leprosy", and by inserting in paragraph (4) of such section "Hansen's disease" between "Filiariasis" and "Leishmaniasis, including kala-azar";

(4) by striking out in clause (o) of section 314 "in combination with total blindness with 5/200 visual acuity or less,"; and

(5) by striking out in clause (r) of section 314 "3203(f)" and inserting in lieu thereof "3203(e)".

SEC. 402. Section 3012(b)(2) of title 38, United States Code, is amended by adding "annulment," immediately before "divorce" each time it appears.

SEC. 403. Chapter 11 of title 38, United States Code, is further amended—

(1) by striking out in clauses (A) and (B) of section 301(2) "him" each time it appears and inserting in lieu thereof "such veteran";

(2) by striking out in section 302(a) "widow of a veteran under this chapter unless she was married to him" and inserting in lieu thereof "surviving spouse of a veteran under this chapter unless such surviving spouse was married to such veteran";

(3) by striking out in section 302(b) "widow" each time it appears and inserting in lieu thereof "surviving spouse";

(4) by striking out in the catchline of section 302 "widows" and inserting in lieu thereof "surviving spouses";

(5) by striking out in the table of sections at the beginning of such chapter 11

"302. Special provisions relating to widows."

and inserting in lieu thereof

"302. Special provisions relating to surviving spouses.";

(6) by striking out in clauses (m) and (o) of section 314 "him" each time it appears and inserting in lieu thereof "such veteran";

(7) by striking out in section 314(p) ", in his discretion,";

(8) by striking out in clauses (r) and (s) of section 314 "he" and "his" each time they appear and inserting in lieu thereof "such veteran" and "such veteran's", respectively;

(9) by striking out in clauses (A), (B), (C), (D), (E), (F), and (G) of section 315(1) "wife" each time it appears and inserting in lieu thereof "spouse";

(10) by striking out in section 315(1)(H) "mother or father, either or both dependent upon him" and inserting in lieu thereof "parent dependent upon such veteran";

(11) by striking out in section 315(2) "his";

(12) by striking out in section 321 "widow" and inserting in lieu thereof "spouse";

(13) by striking out in paragraphs (1) and (2) of section 322(a) "Widow" each time it appears and inserting in lieu thereof "Surviving spouse";

(14) by striking out in paragraphs (3), (4), and (5) of section 322(a) "widow" each time it appears and inserting in lieu thereof "surviving spouse";

(15) by striking out in section 322(a)(6) "mother or father" and inserting in lieu thereof "parent";

(16) by striking out in section 322(a)(7) "Dependent mother and father" and inserting in lieu thereof "Both dependent parents";

(17) by striking out in section 322(b) "widow" and inserting in lieu thereof "surviving spouse";

(18) by striking out in section 341 "widow" and inserting in lieu thereof "spouse";

(19) by striking out in section 351 "him", and by striking out in such section "his" and inserting in lieu thereof "such veteran's";

(20) by striking out in section 354(a) "his" and "he" each time they appear and inserting in lieu thereof "such veteran's" and "such veteran", respectively;

(21) by striking out in section 358 ", in his discretion,", and by striking out in such section "his wife" and "a wife" and inserting in lieu thereof "such veteran's spouse" and "such spouse", respectively;

(22) by striking out in section 360 "his" each time it appears and inserting in lieu thereof "such veteran's";

(23) by striking out in section 361 "his" and inserting in lieu thereof "such former member's"; and

(24) by striking out in section 362 "he" and inserting in lieu thereof "the Administrator".

SEC. 404. Chapter 13 of title 38, United States Code, is amended—

(1) by striking out in subsections (a) and (b) of section 402 "his" and "he" each time they appear and inserting in lieu thereof "such veteran's" and "such veteran", respectively;

(2) by striking out in subsections (c) and (d) of section 402 "he" and "his widow" each time they appear and inserting in lieu thereof "such veteran" and "such veteran's surviving spouse", respectively;

(3) by striking out in section 402(e) "his" and "he" each time they appear and inserting in lieu thereof "such person's" and "such person", respectively;

(4) by striking out in section 404 "widow", "she", and "him" and inserting in lieu thereof "surviving spouse", "such surviving spouse", and "such veteran", respectively;

(5) by striking out in the catchline of section 404 "widows" and inserting in lieu thereof "surviving spouses";

(6) by striking out in the table of sections at the beginning of such chapter 13

"404. Special provisions relating to widows."

and inserting in lieu thereof

"404. Special provisions relating to surviving spouses.";

(7) by striking out in subsections (a) and (b) of section 410 "his widow", "widow", "he", and "his" each time they appear and inserting in lieu thereof "such veteran's surviving spouse", "surviving spouse", "such veteran", and "such veteran's", respectively;

(8) by striking out in the table of sections at the beginning of such chapter 13

"411. Dependency and indemnity compensation to widows."

and inserting in lieu thereof

"411. Dependency and indemnity compensation to a surviving spouse.";

(9) by striking out in subsections (a) and (b) of section 412 "his", "he", and "widow"

each time they appear and inserting in lieu thereof "such veteran's", "such veteran", and "surviving spouse", respectively;

(10) by striking out in subsections (a), (b), and (c) of section 414 "him", "widow", "woman", and "her deceased husband" each time they appear and inserting in lieu thereof "such child", "surviving spouse", "person", and "such person's deceased spouse", respectively;

(11) by striking out in paragraphs (1) and (2) of section 416(a) "widow" and "his" each time they appear and inserting in lieu thereof "surviving spouse" and "such person's", respectively;

(12) by striking out in section 416(b)(1) "widow" and "her" and inserting in lieu thereof "surviving spouse" and "such surviving spouse", respectively;

(13) by striking out in section 416(c) "him" and inserting in lieu thereof "such child";

(14) by striking out in section 416(d) "him" each time it appears and inserting in lieu thereof "such parent";

(15) by striking out in section 416(e)(1) "he" and "his" and inserting in lieu thereof "such person" and "such beneficiary's", respectively;

(16) by striking out in section 416(e)(3) "his" and "he" and inserting in lieu thereof "such child's" and "the Administrator", respectively;

(17) by striking out in section 421 "him" and inserting in lieu thereof "the Administrator";

(18) by striking out in section 422(a) "his" and "him" and inserting in lieu thereof "such veteran's" and "such Secretary", respectively; and

(19) by striking out in section 423 "him" and "he" each time they appear and inserting in lieu thereof "the Administrator".

SEC. 405. The provisions of this Act shall become effective on October 1, 1976.

By Mr. PERCY (for himself and Mr. STEVENSON):

S. 3597. A bill to amend section 1234 of the Internal Revenue Code of 1954 with respect to the tax treatment of the grantor of options in stock, securities, and commodities. Referred to the Committee on Finance.

Mr. PERCY. Mr. President, Senator STEVENSON and I are today introducing a bill identical to H.R. 12224, which was introduced in the House by Representative ABNER MIKVA and has been reported by the House Ways and Means Committee.

This bill removes a loophole in the current tax laws which has allowed sophisticated taxpayer/investors dealing in the commodities and stock options markets to include certain economic gains from stock option transactions among their long-term capital gains, while deducting fully as ordinary expenses economic losses sustained in substantially the same kinds of transactions.

These difficulties have arisen primarily as a result of the vagueness of the present code provisions, and the efforts of the courts to comply with both the spirit and the letter of the law. The tax treatment of options transactions has been defined in large part by a series of private letter rulings and court cases. The rulings generally assume that options, like the stocks and securities they represent, are investment property which are to be considered capital assets. One exception to this treatment is in the case of a closing transaction, in which a writer of a call cancels his original obligation by purchasing an identical call from the exchange. Let me illustrate the tax consequences of this procedure with an example.

Suppose that we have a taxpayer in the 50-percent tax bracket who purchases 100 shares of stock at $200 per share, and at the same time writes a call on the stock at the same price, for a premium of $2,500. This allows the purchaser of the call to buy those 100 shares from our taxpayer for $200 per share, within a specified time period.

If the price of the stock then rises to $250, the taxpayer has two choices. If he allowed the holder of the call to exercise his option and purchase the stock at his original price of $200, his only gain on the transaction would be the $2,500 premium, which is added to the selling price of the stock and may therefore be considered long-term capital gain. This results in a tax—in the 50-percent tax bracket—of $625.

Suppose, however, that he were to sell the stock himself at the market price of $250 per share, realizing $5,000 profit on the sale, a capital gain. He would then enter a closing transaction by purchasing another call on the same stock at the price of $200 per share, which would require a premium of approximately $5,000. The net loss on the closing transaction, obtained by offsetting the $2,500 premium received against the $5,000 premium paid, is $2,500.

Under present law, this loss would be deductible as an ordinary loss, and would offset the entire taxable portion of the long-term capital gain. The taxpayer would therefore pay no tax at all under this procedure, rather than the $625 he would pay under the first procedure above, although his economic gain before taxes is $2,500 in each case.

The bill I am proposing would treat the $2,500 loss on the closing transaction as a short-term capital loss, which would offset only half of the $5,000 long-term capital gain, and would result in a $625 tax payment.

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. 3597

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 1234 of the Internal Revenue Code of 1954 (relating to options to buy or sell) is amended to read as follows:

"SEC. 1234. OPTIONS TO BUY OR SELL.

"(a) TREATMENT OF GAIN OR LOSS IN THE CASE OF THE PURCHASER.—

"(1) GENERAL RULE.—Gain or loss attributable to the sale or exchange of, or loss attributable to failure to exercise, an option to buy or sell property shall be considered gain or loss from the sale or exchange of property which has the same character as the property to which the option relates has in the hands of the taxpayer (or would have in the hands of the taxpaper if acquired by him).

"(2) SPECIAL RULE FOR LOSS ATTRIBUTABLE TO FAILURE TO EXERCISE OPTION.—For purposes of paragraph (1), if loss is attributable to failure to exercise an option, the option shall be deemed to have been sold or exchanged on the day it expired.

"(3) NONAPPLICATION OF SUBSECTION.—This subsection shall not apply to—

"(A) an option which constitutes property described in paragraph (1) of section 1221;

"(B) in the case of gain attributable to the sale or exchange of an option, any income derived in connection with such option which, without regard to this subsection, is treated as other than gain from the sale or exchange of a capital asset; and

"(C) a loss attributable to failure to exercise an option described in section 1233(c).

"(b) TREATMENT OF GRANTOR OF OPTION IN THE CASE OF STOCK, SECURITIES, OR COMMODITIES.—

"(1) GENERAL RULE.—In the case of the grantor of the option, gain or loss from any closing transaction with respect to, and gain on lapse of, an option in property shall be treated as a gain or loss from the sale or exchange of a capital asset held not more than 6 months.

"(2) DEFINITIONS.—For purposes of this subsection—

"(A) CLOSING TRANSACTION.—The term 'closing transaction' means any termination of the taxpayer's obligation under an option in property other than through the exercise or lapse of the portion.

"(B) PROPERTY.—The term 'property' means stocks and securities (including stocks and securities dealt with on a 'when issued' basis), commodities, and commodity futures.

"(3) NONAPPLICATION OF SUBSECTION.—This subsection shall not apply to any option granted in the ordinary course of the taxpayer's trade or business of granting options."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to options granted by the taxpayer after June 30, 1976.

By Mr. CURTIS:

S. 3598. A bill to amend the Social Security Act to authorize international agreements with respect to social security benefits. Referred to the Committee on Finance.

Mr. CURTIS. Mr. President, I send to the desk a bill to amend the Social Security Act to authorize international agreements with respect to social security benefits.

This proposal would amend the Social Security Act and is therefore within the jurisdiction of the Committee on Finance. It calls for an international agreement. Therefore, I ask unanimous consent that the bill be referred to the Committee on Finance; and if the Committee on Finance reports the bill, it then be referred to the Committee on Foreign Relations.

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

By Mr. WILLIAMS:

S. 3599. A bill to authorize a demonstration project under section 6 of the Urban Mass Transportation Act of 1964. Referred to the Committee on Commerce and the Committee on Banking, Housing and Urban Affairs, jointly, by unanimous consent.

FERRY SERVICE TO SANDY HOOK

Mr. WILLIAMS. Mr. President, Gateway National Recreation Area added a new dimension to our national park sys-

tem. Instead of preserving large expanses of natural land in the sparsely populated West, Gateway set aside some of the last remaining open spaces in the East's most densely populated and highly urbanized region. Gateway's four units around New York Harbor are within 2 hours driving distance of some 15 million people, 7 percent of the Nation's population. Gateway was the first major Federal attempt to bring parks to the people.

Gateway has stopped short of reaching this goal, however. Despite its proximity to the New York-New Jersey metropolitan area, it remains inaccessible to many of the area's residents. Inadequate public transportation to the various sections of the park has denied access to the half of the area's residents who do not own automobiles. For transit-dependent people—particularly the poor, the elderly, the young, and the handicapped—Gateway's promise has not been fulfilled.

There is direct public transportation to only one of Gateway's four units. To the other three units, it is either circuitous or nonexistent. High fares and long travel times on present mass transit facilities discourage potential users.

As the National Park Service, in its April 1976 Statement for Management, observed:

> No amount of planning and development at Gateway will correct the present inequalities of who can visit the park unless efforts are made to provide efficient transportation to the park from all parts of the region. The metropolitan transit system remains geared primarily for the journey to work and to market. Transit lines tend to converge on Manhattan and its satellite communities, and only a few recreation sites are well served.

The absence of mass transit facilities has resulted in almost total dependence upon the automobile for travel to and from the park. In 1974, 90 percent of the visitors to Gateway traveled by automobile. When an automobile was available, it was used 99 percent of the time.

The Sandy Hook unit of the park in New Jersey is probably the least accessible. There is no direct mass transit to Sandy Hook, and 98 percent of visitors arrive by car. New Jersey's Route 36, the only direct highway corridor to Sandy Hook, is already severely overburdened. It is estimated that by 1990, visitation to Sandy Hook will exceed the capacity of Route 36 by 200 percent. A drawbridge near the entrance to the unit adds to the traffic congestion, with unrestricted openings for marine traffic causing long backups of auto traffic during peak hours. The annoyance of such delays and congestion detracts significantly from the total recreation experience.

Traffic to and from the park has placed an unfair burden on adjacent communities, because of crowding and air pollution. The automobile represents a real threat to the ecology of the park itself. If new access alternatives are not developed, more and more Gateway lands will have to be devoted to parking.

There are alternatives. Because of their location around New York Bay, the four units of Gateway are uniquely suited to waterborne transportation. Use of the water mode could enhance the recreation experience by making the trip to and from the park an enjoyable extension of the park itself. The institution of passanger ferry service would help to relieve the problems of traffic congestion and air pollution.

This is not a new idea. The original Gateway proposal, which I cosponsored, included a provision for ferry services. Unfortunately, this provision was dropped in conference. Ferry service continues to be studied along with several other mass transit proposals by the National Park Service. But no action has been taken. Another summer season is upon us, and no provision has been made to improve access to Gateway and lessen dependence on the automobile.

The legislation I am introducing today would direct the Urban Mass Transportation Administration to undertake a mass transportation demonstration project to provide passenger ferry access to the Sandy Hook unit of Gateway. Such service would be provided between Jersey City, N.J., and Sandy Hook, and between Keyport, N.J., and Sandy Hook.

There are several options for docking sites at each of these locations. At the points of departure, consideration must be given to mass transit connections and parking facilities. In Jersey City, the best possibility at present is probably Exchange Place. The docking facilities there are already used by the U.S. Coast Guard and the National Park Service. Exchange Place is served by the Path subway line, providing a direct link with Newark and Manhattan. It is also served by several bus routes. In the long run, it would be desirable to have the ferries depart from or stop at Liberty State Park in Jersey City. This will become feasible as Liberty Park is developed and mass transit access to it is improved. The other embarkation point, at Keyport, situated near the Garden State Parkway exit to Route 36, would help to divert auto traffic off Route 36. Gateway visitors would be encouraged to leave their cars at Keyport and travel the rest of the way to Sandy Hook by ferry.

The point of arrival at Sandy Hook should be within easy reach, by foot or by shuttle bus, of the main recreation sites.

The demonstration project which this bill envisions could be the first link in a more extensive Gateway ferry system.

My distinguished colleague from New Jersey, Congressman JAMES J. HOWARD, is introducing a similar bill in the House today.

Mr. President, I ask unanimous consent that the bill be printed at this point in the RECORD.

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

S. 3599

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Secretary of Transportation shall undertake a demonstration project under section 6 of the Urban Mass Transportation Act of 1964 to provide, through the purchase or rental of passenger ferry services and docking facilities, water-based mass transportation service from Jersey City, New Jersey, to the shore of Sandy Hook Bay, and from Keyport, New Jersey, to the shore of Sandy Hook Bay.

(b) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section.

Mr. ROBERT C. BYRD subsequently said: Mr. President, I ask unanimous consent that a bill introduced earlier by Mr. WILLIAMS relative to a demonstration project under section 6 of the Urban Mass Transportation Act of 1964 be referred jointly to the Committee on Commerce and the Committee on Banking, Housing and Urban Affairs.

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

ADDITIONAL COSPONSORS

S. 495

At the request of Mr. RIBICOFF, the Senator from Massachusetts (Mr. KENNEDY), the Senator from Maine (Mr. HATHAWAY), the Senator from Florida (Mr. CHILES), the Senator from Ohio (Mr. GLENN), and the Senator from Delaware (Mr. ROTH) were added as cosponsors of S. 495, the Watergate Reorganization and Reform Act of 1976.

S. 1701

At the request of Mr. SCHWEIKER, the Senator from Pennsylvania (Mr. HUGH SCOTT) was added as a cosponsor of S. 1701, a bill to provide an offshore breakwater erosion control project for the Presque Isle Peninsula in Erie, Pa.

S. 2908

At the request of Mr. CRANSTON, the Senator from Florida (Mr. STONE) and the Senator from Vermont (Mr. STAFFORD) were added as cosponsors of S. 2908, a bill to amend title 38, United States Code.

S. 3298

At his own request, the Senator from South Carolina (Mr. HOLLINGS) was added as a cosponsor of S. 3298, the Central Arizona Indian Tribal Water Rights Settlement Act of 1976.

S. 3584

At the request of Mr. PROXMIRE, the Senator from Minnesota (Mr. HUMPHREY) was added as a cosponsor of S. 3584, a bill to extend and increase the authorization for the program to extend the winter navigation season for the Great Lakes-St. Lawrence Seaway System.

AMENDMENT NO. 1829

At the request of Mr. INOUYE, the Senator from Rhode Island (Mr. PELL), the Senator from Rhode Island (Mr. PASTORE) and the Senator from California (Mr. TUNNEY) were added as cosponsors of amendment No. 1829 intended to be proposed to H.R. 10612, the Tax Reform Act of 1976.

AMENDMENT NO. 1888

At the request of Mr. MCINTYRE, the Senator from Alabama (Mr. SPARKMAN), the Senator from Montana (Mr. METCALF), the Senator from Hawaii (Mr. INOUYE), the Senator from Indiana (Mr. HARTKE), and the Senator from Iowa (Mr. CLARK) were added as cosponsors to amendment No. 1888 intended to be proposed to S. 3105, a bill to authorize appro-

priations to the Energy Research and Development Administration.

SENATE RESOLUTION 474—ORIGINAL RESOLUTION REPORTED RELATING TO THE CONSIDERATION OF H.R. 8603

(Referred to the Committee on the Budget.)

Mr. McGEE, from the Committee on Post Office and Civil Service, reported the following original resolution:

"S. RES. 474

"Resolution waiving the provisions of section 402(a) of the Congressional Budget Act of 1974 with respect to H.R. 8603

"*Resolved*, That the provisions of section 402(a) of the Congressional Budget Act of 1974 are waived with respect to H.R. 8603 a bill to amend title 39, United States Code, with respect to the organizational and financial matters of the United States Postal Service and the Postal Rate Commission, and for other purposes."

SENATE RESOLUTION 475—SUBMISSION OF A RESOLUTION AUTHORIZING SUPPLEMENTAL EXPENDITURES

(Referred to the Committee on Rules and Administration.)

Mr. STEVENSON (for himself and Mr. BROCK) submitted the following resolution:

S. RES. 475

Resolved, that section 4 of Senate Resolution 109 agreed to March 31, 1976, is amended by striking out the amounts "$275,000" and "$30,000" and inserting in lieu thereof "$300,000" and "$55,000", respectively.

SENATE RESOLUTION 476—ORIGINAL RESOLUTION REPORTED RELATING TO SANITATION FACILITIES FOR AGRICULTURAL WORKERS

(Placed on the calendar.)

Mr. CLARK, from the Committee on Agriculture and Forestry, reported the following resolution:

S. RES. 476

Resolution relating to proposed regulations concerning sanitation facilities in the field for agricultural workers

Whereas the Occupational Safety and Health Administration of the Department of Labor has proposed to amend part 1928 of title 29, Code of Federal Regulations, by adding a new subpart I requiring sanitation facilities in the field for agricultural employees; and

Whereas the Occupational Safety and Health Administration published the proposed regulations on April 27, 1976, and invited interested persons to comment on the proposed changes by not later than July 6, 1976; and

Whereas the implication of the proposed regulations would impose a hardship on small, family farm operations; and

Whereas it is the belief of the Committee on Agriculture and Forestry that the proposed regulations are unreasonable and unworkable: Now, therefore, be it

Resolved, That it is the sense of the Senate that the Occupational Safety and Health Administration should not issue the final regulations respecting sanitation facilities for agricultural employees in the field until representatives of that Agency have testified before the Subcommittee on Rural Development of the Committee on Agriculture and Forestry.

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to the Secretary of Labor.

AMENDMENTS SUBMITTED FOR PRINTING

TAX REFORM ACT OF 1976—H.R. 10612

AMENDMENT NO. 1903

(Ordered to be printed and to lie on the table).

Mr. HANSEN. Mr. President, during markup of this bill in committee, the Finance Committee considered the possibility of repealing the Federal manufacturers' excise tax on truck bodies chassis, parts and accessories. One reason for considering repeal of the tax was concern for the inequities involved in administering it. These problems are numerous, but the most important of them involves the application of the rule of "further manufacture." Under this rule, the distributor who buys a body from one supplier and equipment, such as a hoist, from another supplier is considered to be the manufacturer of a new taxable item when he combines and sells them.

Thus, each time one taxable item is combined with another a new tax is due, despite the fact that the sale of the combined item is usually priced far higher than would have been the case if the items had been combined by the original manufacturer. Thus, the same item is taxed in different amounts depending upon where in the chain of distribution it is assembled. This results in an unreasonable competitive advantage to some manufacturers.

I feel that this is not the purpose of the statute and that it works a real hardship upon distributors of truck bodies and equipment. I believe that in the case of large items such as bodies and major items of equipment the tax should be imposed just once, when the item is originally manufactured and sold. To this end, I am submitting an amendment to section 4061 of the Internal Revenue Code which would enumerate specific items of equipment which would not be taxed when combined with a tax-paid body for resale. All of these items—hoists, winches, cranes, loading and unloading devices, and the like—would be taxed when originally sold. When later combined with the tax-paid body, no further tax would be due.

We believe that this amendment will result in little, if any, revenue loss. Moreover, if there is any loss it will be substantially recouped by gains in administrative efficiency both at the Internal Revenue Service and in the businesses affected by this tax.

As is evident, the amendment I propose is a very limited solution to this problem, designed merely to alleviate the most severe inequities in the tax. The Treasury Department acknowledges the existence of the problem, and I believe that this amendment is a relief measure which is properly the subject of tax reform. It is my understanding that this amendment has been studied by the Treasury Department, the Internal Revenue Service and the staff for the Joint Committee in Internal Revenue Taxation and meets with the approval of each of these organizations.

Mr. President, I ask unanimous consent that my amendment be printed in the RECORD.

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

AMENDMENT NO. 1903

At the appropriate place insert the following new section:

SEC. EXCLUSION FROM EXCISE TAX ON CERTAIN ARTICLES RESOLD AFTER MODIFICATION.

(a) IN GENERAL.—Section 4063 (relating to exemptions from excise tax on motor vehicles) is amended by adding at the end thereof the following new subsection:

"(d) RESALE AFTER CERTAIN MODIFICATIONS.—Under regulations prescribed by the Secretary, the tax imposed by section 4061 shall not apply to the resale of any article described in section 4061(a)(1) if prior to such resale such article was merely combined with any coupling device (including any fifth wheel), wrecker crane, loading and unloading equipment (including any crane, hoist, winch, or power liftgate), aerial ladder or tower, snow and ice control equipment, earthmoving, excavation and construction equipment, spreader, sleeper cab, cab shield, or wood or metal floor.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to the resale of any article on or after the date of enactment of this Act.

AMENDMENT NO. 1904

(Ordered to be printed and to lie on the table)

Mr. EAGLETON (for himself and Mr. SYMINGTON) submitted an amendment intended to be proposed by them jointly to the bill (H.R. 10612) to reform the tax laws of the United States.

AMENDMENT NO. 1905

(Ordered to be printed and to lie on the table.)

Mr. BEALL. Mr. President, I am sending to the desk, for printing, an amendment to H.R. 10612, the Tax Reform Act. This amendment is similar to S. 667, the Historic Structures Tax Act which I introduced on February 12, 1975. The Historic Structures Tax Act has now been cosponsored by the following Senators: ABOUREZK, BAKER, BROCK, DOLE, DOMENICI, GOLDWATER, GRAVEL, PHILIP A. HART, HARTKE, JAVITS, MATHIAS, MCGOVERN, MCINTYRE, METCALF, HUGH SCOTT, STEVENS, STONE, TAFT, TOWER, TUNNEY, and BROCK.

The Historic Structures Tax Act Amendment would achieve the following objectives:

First. It would encourage the preservation of historic buildings and structures certified by the Secretary of the Interior as registered or qualified for registration on the National Register of Historic Places; or located in a historic district designated under a statute of the appropriate State or local government if such statute is certified by the Secretary of the Interior as containing criteria which will substantially achieve the purpose of preserving and rehabilitating buildings of historic significance to the district.

Second. It limits depreciation to the straight-line method in the case of

buildings constructed on sites which were formerly occupied by demolished historic structures.

Third. It permits a 5-year writeoff of rehabilitation expenditures incurred with respect to historic structures which are used in the taxpayer's trade or business or held for the production of income provided that property acquired in connection with such expenditure is otherwise eligible for the depreciation allowance.

Fourth. It provides that on the disposition of a certified historic structure, gain would be treated as ordinary income to the extent that the special writeoff provided under this section exceeded the depreciation deduction which would have otherwise been allowable—without regard to this provision.

Fifth. It adds a new section to the Internal Revenue Code providing that no deduction would be allowed for amounts expended in the demolition of a registered historic structure, or for the undepreciated cost of such a structure.

Sixth. It provides that, if a taxpayer substantially rehabilitated depreciable property, he would be permitted to elect to compute depreciation with respect to his preexisting basis in the building as though the entire structure was first placed in service by him. This will permit a taxpayer who purchases a used building and rehabilitates it to utilize so-called accelerated methods of depreciation, a privilege which is not now accorded taxpayers under the law. In order to qualify for this special treatment, the amounts added to capital account during a 24-month period must be at least $5,000 in amount and must be greater than the undepreciated cost of the property, determined at the beginning of the 24-month period.

Seventh. It provides that a charitable deduction will not be denied on the transfer of a partial interest in property, where the interest is either an easement of 30 or more years duration granted exclusively for conservation purposes, or is a remainder interest in real property which is granted exclusively for conservation purposes. "Conservation purposes" mean the preservation of open land areas for public outdoor recreation or education, or scenic enjoyment; the preservation of historically important land areas or structures, or the protection of natural environmental systems.

Mr. President, amendment No. 1905 has several changes which were not incorporated in S. 667. The amendment incorporates a series of drafting changes, suggested by the Department of the Treasury. These changes correct drafting defects in the original bill and Secretary Simon has indicated his willingness to support this legislation in its corrected form. The second change incorporates a provision I introduced as a separate amendment on December 19, 1975. That amendment—No. 1325 to S. 667—extended the bill's coverage to include buildings located in a historic district designated under a statute of the appropriate State or local government if such statute is certified by the Secretary of the Interior to the Secretary of the Treasury as containing criteria which will substantially achieve the purpose of preserving and rehabilitating buildings of historic significance to the district. The third change places a 5-year termination date on the provisions in amendment No. 1905. As a member of the Budget Committee, I believe that tax expenditures should be periodically reviewed by the Finance Committee just as other Federal programs need to be reauthorized from time to time.

I believe that the eve of our Bicentennial celebration is the perfect time for the Senate to approve this measure. The Historic Structures Tax Act will do more than simply preserve historically significant buildings; it will also help to strengthen our sense of history and nationhood while helping to make our cities more diverse and livable.

Mr. President, the Historic Structures Tax Act has received enthusiastic support from national, State and local preservation organizations. There have also been several editorials which have focused on this proposal. I ask unanimous consent that the Washington Post editorial of February 15, 1976 entitled "Taxation and Preservation" and the St. Louis Post-Dispatch editorial which was printed in the Christian Science Monitor on March 24, 1976 entitle "For Preservation," be printed in the RECORD, along with the text of amendment No. 1905.

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

AMENDMENT NO. 1905

At the appropriate place insert the following:

SEC. . TAX INCENTIVES TO ENCOURAGE THE PRESERVATION OF HISTORIC STRUCTURES.

(a) AMORTIZATION OF REHABILITATION EXPENDITURES.—

(1) ALLOWANCE OF DEDUCTION.—Part VI of subchapter B of chapter 1 (relating to itemized deductions) is amended by adding at the end thereof the following new section:

"SEC. 192. AMORTIZATION OF CERTAIN REHABILITATION EXPENDITURES FOR CERTIFIED HISTORIC STRUCTURES.

"(a) ALLOWANCE OF DEDUCTION.—Every person, at his election, shall be entitled to a deduction with respect to the amortization of the amortizable basis of any certified historic structure (as defined in subsection (d)) based on a period of 60 months. Such amortization deduction shall be an amount, with respect to each month of such period within the taxable year, equal to the amortizable basis at the end of such month divided by the number of months (including the month for which the deduction is computed) remaining in the period. Such amortizable basis at the end of the month shall be computed without regard to the amortization deduction for such month. The amortization deduction provided by this section with respect to any month shall be in lieu of the depreciation deduction with respect to such basis for such month provided by section 167. The 60-month period shall begin, as to any historic structure, at the election of the taxpayer, with the month following the month in which the basis is acquired, or with the succeeding taxable year.

"(b) ELECTION OF AMORTIZATION.—The election of the taxpayer to take the amortization deduction and to begin the 60-month period with the month following the month in which the basis is acquired, or with the taxable year succeeding the taxable year in which such basis is acquired, shall be made by filing with the Secretary, in such manner, in such form, and within such time as the Secretary may by regulations prescribe, a statement of such election.

"(c) TERMINATION OF AMORTIZATION DEDUCTION.—A taxpayer who has elected under subsection (b) to take the amortization deduction provided in subsection (a) may, at any time after making such election, discontinue the amortization deduction with respect to the remainder of the amortization period, such discontinuance to begin as of the beginning of any month specified by the taxpayer in a notice in writing filed with the Secretary before the beginning of such month. The depreciation deduction provided under section 167 shall be allowed, beginning with the first month as to which the amortization deduction does not apply, and the taxpayer shall not be entitled to any further amortization deduction under this section with respect to such certified historic structure.

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

"(1) CERTIFIED HISTORIC STRUCTURE.—The term 'certified historic structure' means a building or structure subject to the allowance for depreciation provided in section 167 which—

"(A) is listed in the National Register,

"(B) is located in a Registered Historic District and is certified by the Secretary of the Interior as being of historic significance to the district, or

"(C) is located in a historic district designated under a statute of the appropriate State or local government if such statute is certified by the Secretary of the Interior to the Secretary as containing criteria which will substantially achieve the purpose of preserving and rehabilitating buildings of historic significance to the district.".

"(2) AMORTIZATION BASIS.—The term 'amortizable basis' means the portion of the basis attributable to amounts expended in connection with certified rehabilitation.

"(e) DEPRECIATION DEDUCTION.—The depreciation deduction provided by section 167 shall, despite the provisions of subsection (a), be allowed with respect to the portion of the adjusted basis which is not the amortizable basis.

"(f) LIFE TENANT AND REMAINDERMAN.—In the case of property held by one person for life with remainder to another person, the deduction under this section shall be computed as if the life tenant were the absolute owner of the property and shall be allowable to the life tenant.

"(g) CROSS REFERENCES.—

"(1) For rules relating to the listing of buildings and structures in the National Register and for definitions of 'National Register' and 'Registered Historic District', see section 470 et seq. of title 16 of the United States Code.

"(2) For special rule with respect to certain gain derived from the disposition of property the adjusted basis of which is determined with regard to this section, see section 1238.".

(2) GAIN ON DISPOSITION.—Section 1238 (relating to amortization in excess of depreciation) is amended by inserting after "facilities)" the following: "or section 192 (relating to amortization of certain rehabilitation expenditures for certified historic structures)".

(3) CONFORMING AMENDMENTS.—

(A) The table of sections for part VI of subchapter B of chapter 1 is amended by inserting at the end thereof the following new item:

"SEC. 192. AMORTIZATION OF CERTAIN REHABILITATION EXPENDITURES FOR CERTIFIED HISTORIC STRUCTURES.".

(B) Section 642(f) (relating to amortization deductions of estates and trusts) is amended by striking out "and 191" and inserting in lieu thereof "191, and 192".

(C) Section 1082(a)(2)(B) (relating to basis for determining gain or loss) is amended by striking out "or 191" and inserting in lieu thereof "191, or 192".

(D) Section 1250(b)(3) (relating to depreciation adjustments) is amended by striking out "or 191" and inserting in lieu thereof "191, or 192".

(4) EFFECTIVE DATE.—The amendments made by this subsection shall apply with respect to additions to capital account made after June 14, 1976 and before June 15, 1981.

(b) DEMOLITION.—

(1) DISALLOWANCE OF DEDUCTIONS.—Part IX of subchapter B of chapter 1 (relating to items not deductible) is amended by adding at the end thereof the following new section:

"SEC. 280. DEMOLITION OF CERTAIN HISTORIC STRUCTURES.

"(a) GENERAL RULE.—In the case of the demolition of a certified historic structure (as defined in section 192(d)(1))—

"(1) no deduction otherwise allowable under this chapter shall be allowed to the owner or lessee of such structure for—

"(A) any amount expended by such demolition, or

"(B) any loss sustained on account of such demolition; and

"(2) amounts described in paragraph (1) shall be treated as property chargeable to capital account with respect to the land on which the demolished structure was located.

"(b) SPECIAL RULE FOR REGISTERED HISTORIC DISTRICTS.—For purposes of this section, any building or other structure located in a registered historic district shall be treated as a certified historic structure unless the Secretary of the Interior has certified prior to the demolition of such structure, that such structure is not of historic significance to the district."

(2) CLERICAL AMENDMENT.—The table of sections for part IX of subchapter B of chapter 1 is amended by adding at the end thereof the following new item:

"SEC. 280. DEMOLITION OF CERTAIN HISTORIC STRUCTURES."

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply with respect to demolitions commencing after June 30, 1976 and before January 1, 1981.

(c) DEPRECIATION OF IMPROVEMENTS.—

(1) METHOD OF DEPRECIATION.—Section 167 (relating to depreciation) is amended by redesignating subsection (n) as (p), and by inserting after subsection (m) the following new subsection:

"(n) STRAIGHT LINE METHOD IN CERTAIN CASES.—

"(1) IN GENERAL.—In the case of any property in whole or in part constructed, reconstructed, erected, or used on a site which was, on or after June 30, 1976, occupied by a certified historic structure (as defined in section 192(d)(1)) which is demolished or substantially altered (other than by virtue of a certified rehabilitation as defined in section 192(d)(2)) after such date—

"(A) subsections (b), (j), (k), and (l) shall not apply,

"(B) the term 'reasonable allowance' as used in subsection (a) shall mean only an allowance computed under the straight line method.

"(2) EXCEPTION.—The limitations imposed by this subsection shall not apply to personal property.

"(3) CERTIFIED REHABILITATION.—The term 'certified rehabilitation' means any rehabilitation of certified historic structure (as defined in section 192(d)(1)) or of any other structure located in a Registered Historic District or in a State or local government historic district established under a certified statute as described in section 192(d)(1)(C) which the Secretary of the Interior has certified to the Secretary or his delegate as being consistent with the historic character of such property or district.".

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to that portion of the basis which is attributable to construction, reconstruction or erection after December 31, 1975 and before January 1, 1981.

(d) SUBSTANTIALLY REHABILITATED PROPERTY.—

"(1) GENERAL RULE.—Pursuant to regulations prescribed by the Secretary, the taxpayer may elect to compute the depreciation deduction attributable to substantially rehabilitated historic property as though the original use of such property commenced with him. The election shall be effective with respect to the taxable year referred to in paragraph (2) of this subsection and all succeeding taxable years.

"(2) SUBSTANTIALLY REHABILITATED PROPERTY.—For purposes of paragraph (1), the term 'substantially rehabilitated historic property' means any certified historic structure (as defined in Secion 192(d)) with respect to which the additions to capital account for any certified rehabilitation (as defined in Section 167(n)(3)) during the 24-month period ending on the last day of any taxable year, reduced by any amounts allowed or allowable as depreciation or amortization allowable thereto, exceeds the greater of—

"(A) the adjusted basis of such property, or

"(B) $5,000.

The adjusted basis of the property shall be determined as of the beginning of the first day of such 24-month period, or of the holding period of the property (within the meaning of section 1250(c)), whichever is later.".

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply with respect to additions to capital account occurring after June 30, 1976 and before July 1, 1981.

(e) TRANSFERS OF PARTIAL INTERESTS IN PROPERTY FOR CONSERVATION PURPOSES.—

(1) INCOME TAX DEDUCTIONS FOR CHARITABLE CONTRIBUTIONS OF PARTIAL INTERESTS IN PROPERTY FOR CONSERVATION PURPOSES.—Section 170(f)(3) (relating to charitable contributions) is amended—

(A) by striking out "or" at the end of subparagraph (B)(i),

(B) by striking out "property.", at the end of subparagraph (B)(ii) and inserting in lieu thereof "property,",

(C) by adding after clause (ii) of subparagraph (B) the following new clauses:

"(iii) a lease on, option to purchase, or easement with respect to real property of not less than 30 years' duration granted to an organization described in subsection (b)(1)(A) exclusively for conservation purposes, or

"(iv) a remainder interest in real property which is granted to an organization described in subsection (b)(1)(A) exclusively for conservation purposes.", and

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

"(C) Conservation purposes defined.—For purposes of subparagraph (B), the term 'conservation purposes' means—

"(i) the preservation of land areas for public outdoor recreation or education, or scenic enjoyment;

"(ii) the preservation of historically important land areas or structures; or

"(iii) the protection of natural environmental systems.".

(2) ESTATE TAX DEDUCTION FOR TRANSFER OF PARTIAL INTERESTS IN PROPERTY FOR CONSERVATION PURPOSES.—Section 2055(e)(2) (relating to deductions from gross estate) is amended by striking out "(other than a remainder interest in a personal residence or farm or an undivided portion of the decedent's entire interest in property)" and inserting in lieu thereof "(other than an interest described in section 170(f)(3)(B))".

(3) GIFT TAX DEDUCTION FOR TRANSFERS OF PARTIAL INTERESTS IN PROPERTY FOR CONSERVATION PURPOSES.—Section 2522(c)(2) (relating to deductions from taxable gifts) is amended by striking out "(other than a remainder interest in a personal residence or farm or an undivided portion of the donor's entire interest in property)" and inserting in lieu thereof "(other than interest described in section 170(f)(3)(B))".

(4) EFFECTIVE DATE.—The amendments made by this subsection shall apply with respect to contributions and transfers made after June 13, 1976 and before June 14, 1977.

[From The Washington Post, Feb. 15, 1976]

TAXATION AND PRESERVATION

The most powerful driving force behind the wrecking ball is federal tax policy. It encourages new construction, ignoring the fact that Americans have lately become fond of old buildings and neighborhoods and want to preserve them. The number of organized preservation groups in the country has grown from fewer than 2,500 in 1966 to more than 6,000 in 1976. City planners now talk with the same fervor about "urban conservation," as the conservationists in Teddy Roosevelt's day talked about preserving the wilderness. But the growing sentiment has not yet been able to change the economics of urban development and redevelopment.

Washington's historic Willard Hotel is an example. Just about everyone in town—federal and local officials and a great many vocal citizen groups and individuals—emotionally urge that the old hotel be preserved and restored. Yet, it has been boarded up for eight years. It is rapidly deteriorating and may still have to be torn down as a matter of "sound business practice." It is simply cheaper and more profitable to build a new commercial building than to rehabilitate an old one. A principal reason is that, under present tax laws, the owner may, in the first place, deduct the cost of demolition. He furthermore receives considerable tax advantages such as accelerated depreciation on the new building that are not permitted on rehabilitated old structures. More often than not, zoning regulations also allow buildings that are much larger and therefore more profitable than the landmark building in question. Indeed, there is usually no way other than government assistance to save it.

So far, historic preservation has relied on direct government grants to preserve and restore old buildings and neighborhoods. In the 10 years since the National Historic Preservation Act was passed, Congress has appropriated a total of $50.3 million for this purpose for the entire country. This year, President Ford has recommended that the proposed $20 million appropriation be cut in half. This is barely enough to preserve a very few outstanding landmarks. Urban conservation and the "recycling" of handsome old homes will require a change in tax policy, such as Sen. J. Glenn Beall Jr. (R-Md.) has long proposed. Sen. Beall's Historic Structures Tax Bill, in fact, was the main topic of a recent two-day conference of tax experts and preservationists from all over the country sponsored by the National Trust for Historic Preservation.

It may be asked, of course, whether taxes should be used to regulate conduct or achieve special social or economic purposes. But if taxes, as Justice Holmes said, are the price we pay for living in a civilized society, the tax system can surely be used as a means of preserving civilization. The aim of the Beall bill, in fact, is not to favor old buildings over new ones, but merely to establish a fair balance between the two, to provide "tax neutrality" as someone has called it. The bill would give "recycling" of old buildings the same tax breaks as redevelopment.

The Beall bill is not perfect. But even if it is strengthened and refined, it will solve only

part of the problem. Fully effective urban conservation requires not only fair tax polices but also thoughtful and comprehensive local planning and zoning.

[From The Christian Science Monitor, Mar. 24, 1976]

FOR PRESERVATION

More than 25 percent of the buildings recorded by the Historic American Buildings Survey since 1933 have been demolished, and one of the reasons is bound to be that the tax code provides a greater incentive for demolition and replacement than it does for preservation. Legislation introduced by Senator J. Glenn Beall Jr. of Maryland, however, would go a considerable way toward eliminating that imbalance. . . .

Mr. Beall's legislation would go about this in four principal ways. First, it would deny deductions for the expense of demolishing a building certified as a historic landmark. Second, it would allow only straight-line depreciation, rather than accelerated depreciation, for new buildings constructed on the site of what was formerly a historic structure. Third, rehabilitation expenses for a historic building could be deducted from the owner's current income over a five-year period. Finally, tax deductions would be permitted for scenic or facade easements of at least 30 years on historic property, if the easement was granted to a public agency or nonprofit institution.

Mr. Beall has been sponsoring this legislation since 1973, and it has not yet passed, notwithstanding the fact that there is no organized opposition to it and that it is cosponsored by senators from both parties. It is just a case of a worthwhile piece of legislation getting lost in the legislative traffic jam every year. It can be passed, though, if citizens interested in encouraging the preservation of community landmarks let their lawmakers know that they think the bill is important.—St. Louis Post-Dispatch.

AMENDMENT NO. 1906

(Ordered to be printed and to lie on the table.)

Mr. CURTIS. Mr. President, the purpose of my amendment—adding a new title XVII(A) after line 17 on page 1013 of H.R. 10612—is simply to extend to airlines the application of two investment tax credit provisions applying only to railroads in title XVII of the committee-approved bill, which would, first, establish a 100-percent tax liability limitation on the investment credit—100 percent for 1976 and 1977, phased down gradually to 50 percent for 1982 and later years, section 1701(c); and second, prescribe a FIFO or "first-in first-out" rule, section 1701(a), to unused credit years. The FIFO rule as extended to airlines by my amendment would apply only in respect of nonrefundable investment credit carryovers, that is, those from unused credit years beginning before 1976.

AMENDMENT NO. 1907

(Ordered to be printed and to lie on the table.)

Mr. JAVITS submitted an amendment intended to be proposed by him to the bill (H.R. 10612), supra.

NOTICE OF HEARING

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Tuesday, **June 29, 1976**, at 9:15 a.m., in room 2228, Dirksen Senate Office Building, on the following nominations:

William A. Ingram, of California, to be U.S. district judge for the northern district of California, vice Alfonso J. Zirpoli, retired.

Cecil F. Poole, of California, to be U.S. district judge for the northern district of California, vice Oliver J. Carter, retired.

William W. Schwarzer, of California, to be U.S. district judge for the northern district of California, vice Albert C. Wollenberg, retired.

Any persons desiring to offer testimony in regard to these nominations, shall, not later than 24 hours prior to such hearing, file in writing with the committee a request to be heard and a statement of their proposed testimony.

The subcommittee consists of the Senator from Arkansas (Mr. McCLELLAN) the Senator from Nebraska (Mr. HRUSKA), and myself as chairman.

THE COMMITTEE ON LABOR AND PUBLIC WELFARE OVERSIGHT REVIEW OF THE TEAMSTER PENSION FUND INVESTIGATION

Mr. WILLIAMS. Mr. President, since last October, the Committee on Labor and Public Welfare has been closely following the activities of the Department of Labor and the Department of Justice with respect to their investigations of the allegations against the Central States pension fund of the Teamsters Union.

In December 1975, in response to the discussions with the then Secretary of Labor, John Dunlop, and the Deputy Attorney General, Mr. Tyler, the ranking minority member of the committee (Mr. JAVITS) and I received a letter from the Labor and Justice Departments and an accompanying memorandum which stated that a joint task force had been created to conduct an investigation into the Teamsters Central States pension fund.

In the ensuing months, we have been advised that this task force has been conducting an intensive investigation into the allegations surrounding the fund including possible violations of the Employment Retirement Income Security Act of 1974—ERISA.

Within the last few weeks, there have been a number of articles and comments regarding both the Teamster fund and the conduct of the investigation. Since the beginning of the Teamster fund investigation, the staff of the Subcommittee on Labor, under my direction, has maintained close liaison with the Department of Labor and the Department of Justice to insure that ERISA is being properly administered and enforced.

Since sufficient time has elapsed for the task force to conduct its initial examination, I now believe that it is appropriate to request the Secretary of Labor and his staff responsible for the investigation to appear before the subcommittee to review the progress to date. I have discussed this matter with the ranking minority member (Mr. JAVITS) and we are in agreement on this procedure. The hearing on the oversight of the Department of Labor/Department of Justice investigation of the Central States Teamsters pension fund is scheduled for Thursday, July 1, 1976, at 9:30 a.m. in room 4232, Dirksen Senate Office Building.

ADDITIONAL STATEMENTS

CHRISTIANITY AND CAPITALISM: GOOD COMPANIONS

Mr. HELMS. Mr. President, there are many today who argue that Christianity and capitalism are not only incompatible, but in fact mutually exclusive. Our Founding Fathers would have scoffed at such nonsense, as do the wiser minds today. Christianity and a free economic system have one overriding attribute in common—the maximization of freedom.

Freedom, after all, is what Christianity is all about. Nothing could be clearer than this passage from Scripture:

> Freedom is what we have—Christ has set us free! Stand, then, as free men, and do not allow yourselves to be slaves again." (Gal. 5:1)

The redemption frees us from the ravages and ultimate penalty of sin; frees us to be born again as individual, unique creatures whose souls can wander and spirits soar. The Christian faith articulates the fact that man is greater than the beast, and that he has greater needs than filling his belly and quenching his thirst.

Socialism, capitalism's antagonist, views man as little more than a beast to be fed, clothed, and sheltered. Socialism is suspicious that individual man is capable of doing anything on his own. Socialism denies man's uniqueness, and is premised on the assumption that every man's needs are the same.

But capitalism says let man be free to make his own choices, to select his own material possessions, to work where he wants and as he pleases. Capitalism says man is special, that he does have a spirit which is more important than his belly, that man should be free—not to terrorize his neighbor or satiate his appetites, but to evolve into the kind of whole man God intended him to be. Capitalism takes cognizance of man's spiritual nature. Socialism, denying God at its roots, makes a god of government.

Mr. President, a good friend and constituent of mine, W. W. "Bill" Binning, of Lexington, N.C., has brought to my attention an excellent article on this subject by an 18-year-old high school student. In this day and age when too few of our schools and almost none of the major media make any attempt to teach how our economic system works, it is gratifying to discover that some of our young people have learned for themselves how our Nation possesses the greatest economic system in the world—unless we destroy it.

Mr. President, I ask unanimous consent that the article entitled "I Am a Christian Capitalist" appearing in Applied Christianity be printed in the RECORD.

There being no objection, the article

was ordered to be printed in the RECORD, as follows:

I AM A CHRISTIAN CAPITALIST

(By Trev Van Moss)

As a Christian capitalist, one of the most annoying complaints I hear is the claim that Christianity is totally opposed to capitalism. Several libertarians who are highly regarded in their fields are continually attacking Christianity, and attempting to prove that it cannot co-exist with the laissez-faire ethics.

These critics make several grave mistakes, the greatest being that they examine the teachings of the "progressive" or "liberal" movements in Christianity, and fail to examine the basic work that stands as the final authority on Earth—the Bible. While the critics denounce these "progressive" elements, they are attacking a straw man, and deliberately failing to check the tacit premises of the Christian faith. Anyone who will take a close, hard look at the New Testament will find extensive justification for the capitalist system.

MONEY IS NOT EVIL

The anti-Christian capitalists claim that the Christians say "Money is evil." They claim that poverty is a proper Christian goal. Nothing could be farther from the truth! Nowhere in the New Testament can one find the words "Money is evil," or "Money is the root of all evil."

The only statement made that is even close is "The love of money is the root of all evil" (I Tim. 6:10). The *love* of money! This is entirely different! The Bible says that we cannot love, worship, or admire money more than God.

Further clarity is rendered by Luke 16:13: "No servant can be the slave of two masters . . . You cannot serve both God and money." This does not say "Reject money." It simply says, "Don't become a slave to the demands of money. Make money your servant." The capitalist does not necessarily worship money, or the things money can buy. The Christian capitalist uses material possessions to enrich his life and the lives of the people he loves.

We know that there were several extremely wealthy men in the Old Testament who pleased God by their lives. Solomon's yearly income, for instance, is estimated to have been at least twenty million dollars. There are examples of wealthy Christians in the New Testament. In Acts 10:1–33, we learn about a Roman captain, who, by using his money to aid the poor, was remembered by God. It seems evident that Christians are not judged by mere possession of money, but rather, their attitude toward that money, and the manner in which it is used.

AMBITION IS ENCOURAGED

Another criticism that is leveled against Christianity is the claim that the New Testament discourages ambition. The claim is made that the New Testament encourages meek, unambitious living with no monetary goals. This is another false claim. In I Thessalonians 1:14, Paul admonishes his fellow Christians to ". . . warn the idle." In a later letter he is even more severe: "In the name of the Lord Jesus Christ we command you, brothers: keep away from all brothers who are living a lazy life . . ." (II Thessalonians 3:6).

Again he states: "In the name of the Lord Jesus we command these people and warn them: they must lead orderly lives and work to earn their own living" (II Thessalonians 3:12). It is clear that Paul realized the importance of hard work in an orderly society.

WORK ETHIC

A third charge that is made against Christianity is that it supports the "welfare ethic." We are constantly being bombarded with the claim that the welfare ethic and all its faults is the direct result of Fundamentalist morality. In reality, the charge is completely false. Paul stated, ". . . we worked and toiled; day and night we kept working so as not to be an expense to any of you . . . we did it to be an example for you to follow" (II Thessalonians 3:8). Here is Paul, the most prolific writer of the New Testament, telling us never to become a burden to other people. He added, "Whoever does not want to work is not allowed to eat." Here is one of the most explicit affirmations of the work ethic—right out of the New Testament. It should be perfectly obvious that dependence on others was something that was strictly forbidden.

There are provisions for public charity, but only after the strictest requirements are met. In First Timothy we learn that if at all possible, relatives must take care of their own, because, ". . . if someone does not take care of his relatives, especially the members of his own family, he has denied the faith, and is worse than an unbeliever" (I Timothy 5:8).

However, there are cases when certain members of a society should voluntarily help others who are in need. Paul gives an example of the strict requirements of charity cases, by describing which widows may be given aid by the Church: 1. they must not be less than sixty years old; 2. they must have married just once; 3. they must have no other living relatives; 4. they must have been excellent mothers; women who were in the past charitable to others. Can you imagine how many people would be thrown off welfare if even half of these requirements were enforced? Clearly, charity is condoned by the Church—but only in the few cases of sincere need.

THE SUPERIOR SYSTEM

Perhaps the most convincing way to show the capitalistic nature of Christianity is to examine the economic systems of Christians when they are left to set up their own societies. The United States provides us with the best example. In the 17th, 18th and 19th centuries hundreds of thousands of Christians were coming to this continent seeking religious freedom. What economic system did they choose? Capitalism! The writers of the Constitution, who were heavily influenced by Christian morality, chose capitalism as the only acceptable economic system, consistent with the principles of Christian freedom which they held dear.

It is also interesting to note the reaction of the collectivist towards Christianity. In Soviet Russia, for instance, Christians and Jews alike are persecuted, imprisoned, and tortured by the police state. What do these authorities fear? The same ingredient that every dictator, totalitarian and collectivist fears—individuality. And this is exactly the quality that is inherent in the Christian faith.

As religion has declined in influence all over the United States, collectivists and socialists have steadily advanced. Perhaps it is one of our greatest hopes that as we return to the fundamental teachings of the Judeo-Christian morality, we may reverse the present trend, and return to the just and proper environment of freedom, which is impossible without free enterprise capitalism as the prevailing economic system.

WORLD FOOD DEVELOPMENT CONFERENCE

Mr. HUMPHREY. Mr. President, the gravity of the world food problem remains serious and requires the contributions of both the public and private sectors.

In 1974, government representatives from some 130 nations met at the Rome Food Conference in order to discuss ways of improving the food security and nutrition of the food-deficit nations. This conference represented but one aspect—the role of governments—of the continuing search for action to deal with world hunger.

Another important aspect of this attack is that offered by the private sector, and it demands close attention in terms of the role it can play. Encouraging efforts in this area, currently under study, are directed primarily toward innovative food processing techniques. The need for improved technology in this area becomes more and more evident when one recognizes the incongruous fact that many food-deficit nations produce the necessary supply of grain to wipe out their own malnutrition. Yet surprisingly, over 50 percent of their total grain production is exported to the major food processing centers of the world. These grains, once processed and packaged, subsequently find their way back to those nations who can best afford them, which certainly are not the starving producer nations.

Interal, an international organization particularily concerned with this problem, has organized an International Food and Technical Biennial Exposition to be held on November 15–21, 1976, in Paris, France. Interal, together with the French and European Food Community, have formed a nonprofit institution for the purpose of organizing and operating World Food Development Congresses. It is the aim of this effort to help assist the flow of the much-needed technology, from the manufacturers to the nations and people seeking to develop and industrialize their food resources.

If the growing schism between the developed and developing nations is ever to be reduced, then it is essential that we lend our support to all efforts seeking to end these discrepancies.

A rationale and outline for the abovementioned exposition, including an overview from an article written by Lloyd E. Slater for Food Engineering, are helpful in illuminating this problem.

Mr. President, I ask unanimous consent that these two articles be printed in the RECORD.

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

ANNOUNCING THE FIRST WORLD FOOD DEVELOPMENT CONGRESS

(To be held at INTERAL—the International Food and Technical Biennial Exposition, Port de Versailles, Paris, France, November 15–21, 1976)

WHAT IS INTERAL?

In its last event held in Paris in November, 1974, INTERAL consisted of displays of food manufacturing technology, equipment and products in five great halls covering 200,000 sq. meters in the Port de Versailles Exposition Area. Over 140,000 people attended, with 17,000 coming from outside France.

HOW DID THE CONGRESS IDEA START?

Coincidental with INTERAL '74 was the great Rome Food Conference which focused the world's attention on the problem of more equitable distribution of food and nutrition to lesser developed nations. In a series of meetings to determine how INTERAL might relate to this great world problem, the de-

cision was made to include a special event in the 1976 Exposition.

WHAT IS ITS MECHANISM?

Leaders in the trade associations sponsoring INTERAL and in the French and European Food Community early in 1976 formed a not-for-profit Institution for the purpose of organizing and operating World Food Development Congresses which will be scheduled as part of INTERAL in the future. The Honorable Maurice Rossin, former Director General of France's Ministry of Agriculture was appointed its first President.

AND ITS RATIONALE?

The rationale behind the new Institute is a simple and compelling one. Most developing nations, while often agricultural, are on the deficit side of the world's food and nutritional imbalance. Many export major amounts of food commodities to developed nations for processing and distribution, but are unable to afford the manufactured products. It seems urgent and essential that food manufacturing—the technology of organizing food resources for preservation, containerization and local distribution—is encouraged in these developing lands. This will not only create jobs and add value to product, but will also encourage more efficient and equitable local distribution of food. It is the purpose of the World Food Development Congress to help assist in the flow of technology to nations and people seeking to develop and industrialize their food resources.

IS IT POLITICAL?

The Congress is a "free enterprise" endeavor, with no formal national or political ties. A basic point in its operating philosophy is that the proposed flow of technology must take place through the normal channels of world commerce. There are many other organizations and efforts directed towards projects-in-aid and to philanthropic or charitable support for food development throughout the world. The Congress proposes to furnish a meeting place where the vendors of technology and venture capital can meet with private and public representatives of developing nations with the purpose of establishing economically viable development projects.

SPECIFIC ACTIVITIES OF THE CONGRESS

To accomplish its purpose, the Congress has oganized two activities which will be held within and adjacent to the International Food Processing Machinery Exhibition (GIA) which is part of the 1976 INTERAL Exposition:

1. A two-day Symposium will offer case-histories of successful food development projects in lesser developed nations. The case-histories will be presented by technical representatives of multi-national food corporations, field engineers from food equipment and technology supply firms, and by entrepreneurs and technical people actually engaged in the development project.

2. A special exhibit area of booths will be organized within GIA to contain display material and background documents of organizations that have successfully engaged in world food development projects. The exhibit, for example, will feature such things as scale models of complete food plant "turnkey" projects as well as catalogs and photographs illustrating project technology and development.

CONGRESS PARTICIPANTS

Special effort will be made by the Congress to promote attendance by participants from developing nations and from nations seeking to further industrialize their food resources. Invitations and mailings will be sent to food and agricultural officials in all nations. A goal of at least 500 participants to the Congress has been established.

For further information on the Congress by English language participants and potential exhibitors, please contact: Lloyd E. Slater, Editor-in-Chief, Food Engineering, Chilton Way, Radnor, Pa., USA, 19089.

FOOD: THE NEW COLONIALISM?

Three recent publications bring a key issue in world food development into sharp focus:

Stephen Stockman's intriguing world food commodity data bank tabulation revealing apparently hungry nations are actually exporting food;

Robert Ledogar's new book on multinationals in Latin America showing how good intentions in food development often prove counter-productive;

Nick Eberstadt's recent article disclosing what he believes are major anomalies and false reporting on the so-called world food crisis.*

THE GAP CONTINUES

If World War II led to anything constructive it was the dismantling of colonial empires. Economically and politically unshackled, the peoples of the Third World emerged with high hopes and plans for development.

Yet the tragedy today, decades later, is that the economic and social gap between former colonizers and colonies has widened rather than closed. And at the heart of this gap, imposing an excruciating drag on the aspiring nations, lies their continuing inequity in calories and nutrition.

Food was the keystone of colonialism. When the avid colonizers came in they organized local agriculture and shipped out harvests to the mother country and equally affluent neighbors. Very little return for this export flowed back to the local economy, and pay for labor was meagre and seasonal. Domination of the best arable acres by monoculture usually created malnutrition and hunger. More and more food had to be brought in to sustain increasingly poor people in lands that could have been nutritionally self-sufficient.

Has this appalling situation really changed? Stockman's chart, Ledogar's book, Eberstadt's article lead to the same conclusion: Colonialism, at least the colonialism of food, still exists.

WHO ARE THE BAD GUYS?

What these three sources also reveal, however, is that the villians in modern food colonialism are hard to pin down. It is far from a classic good guys—bad guys scenario. True, the great food corporations still siphon off Third World commodities and get the real return through their processing and packaging. And when many huge multinationals do bring their capital and skills to less developed areas too often it's to reap the meagre pennies of malnourished people to highly merchandised soft drinks and snacks.

But there are also many exceptions to this picture of insensitive corporate expansion. As recent articles in this magazine's World Food section have shown, pragmatic expansionists such as Foremost International and H. J. Heinz can properly transplant their technology—creating products afforded by locals, as well as jobs and joint ownerships—and still make money for shareholders.

Nor are the bad guys, if they really exist, solely found among the commodity traders or multinational expansionists. As Eberstadt's article pungently suggests, avarice in leaders at the local level also perpetuates the new colonialism. Take the example of Bangladesh. At the height of its most recent famine it was still producing more than enough food to wipe-out mulnutrition, yet over 50 percent of its grain was being exported by a government approved black market.

DOING IT THE RIGHT WAY

Awareness is dawning, however, in many of the potentially food-rich former colonies. Their first wave of well trained professionals have returned from Cornell, Davis and other great schools of agritechnology. They are convincing their leaders that food development must be given the highest priority. But the help they will require in technology, capital and know-how will be monumental.

How will this massive technology transfer take place? Many food development projects in the Third World have come about through humanitarian and political largesse. But it will only begin to happen on the scale needed when accountable dollars flow—when commerce-minded, free-world industry becomes involved with and truly committed to the problem.

So if your company has the talent and resources to take part in Third World food development, hark to these criteria:

1. The food products made must be nutritious, and acceptable and affordable by local peoples;

2. The commitment must involve training and advancing local technicians and management;

3. The enterprise should be one of initial joint-ownership and eventual full local ownership.

Other food corporations have profited as well as helped to solve an urgent world problem by following these criteria. Let's finally end colonialism.

*(1) "FE's Commodity Data Bank" by S. A. Stockman, Food Engineering, Jan. 1976, pp. 53–55.

(2) "Hungry for Profits" by R. J. Ledogar, 1976. IDOC, 235 E. 49th St., New York, N.Y. 10017.

(3) "Myths of the Food Crisis" by N. Eberstadt, N.Y. Review of Books, Feb. 19, 1976.

Stated simply, what these three completely disparate sources illuminate—the key issue they raise—is the New Colonialism of Food.

CLYDE M. WEBBER

Mr. STEVENS. Mr. President, I would like to express deep sorrow at the recent death of Clyde M. Webber, national president of the 300,000-member American Federation of Government Employees. Mr. Webber died early Tuesday morning, June 15, at age 56.

As president of the AFGE, Clyde Webber was a firm spokesman for all Federal employees represented by his federation. He was an active member of the Federal Pay Council as well as the Prevailing Rate Advisory Committee and other statutory bodies.

Mr. WEBBER was a friend of Alaska. He understood many of Alaska's unique problems which Federal employees must deal with. He was always willing to work closely with those of us in Congress who were trying to find solutions to such problems as inadequate Federal salaries to match the high cost of living in my State. He also visited Alaska personally to talk with Federal employees there about their particular difficulties in an attempt to better understand them and to find practical solutions.

Mr. Webber's death will be felt in Alaska as well as the rest of the United States and the deepest of sympathy is extended to his family.

THE GENOCIDE CONVENTION IS NO THREAT TO OUR SYSTEM OF GOVERNMENT

Mr. PROXMIRE. Mr. President, the objection has been raised that ratifica-

tion of the Genocide Convention would produce serious conflicts with the laws of this Nation and its constituent States. Some have wondered whether our system of government would be threatened by our ratification of this treaty. These reservations stem from a reading of article VI of the Constitution, which makes ratified treaties, along with the Constitution and acts of Congress, "the supreme law of the land."

This objection is purely hypothetical. It is revealing that not one actual instance of a conflict between the provision of the Genocide Convention and the State laws over which it would be "supreme" can be given. It is true that States would be bound by the provisions of the convention. It is also true that States are bound by the provisions of any treaty enacted and in force in this Nation; yet we do not object to treaties on these grounds.

There are additional safeguards which protect our system of government from the impact of a treaty. First, no treaty can be held binding if it fails to conform to the provisions of the Constitution. This opinion is given in the controlling precedent, *Reid* v. *Covert*, 353 U.S. 1. In the same decision, the Court affirmed that whenever a treaty and an act of Congress are in conflict, the last enacted is controlling. Thus the Congress, by simple legislation could supersede any part of the Genocide Convention any time it wished.

I call upon my colleagues in the Senate to reaffirm the concern of the people of this Nation for human rights by a speedy ratification of the Genocide Convention.

FOREST HAVEN

Mr. HUMPHREY. Mr. President, on June 17, the Senate passed H.R. 13965, making appropriations for the District of Columbia for fiscal year 1976 and for the transition quarter.

Despite the short time that the Senate Appropriations Subcommittee on the District of Columbia, under the chairmanship of Senator LAWTON CHILES, had to work on this bill, it has done its work well.

I especially want to commend the committee and its staff for getting at the facts which caused the well-publicized problems at Forest Haven, the District of Columbia's facility for mentally retarded persons at Laurel, Md.

I first brought the terrible situation at Forest Haven to the attention of the Senate in 1973 and I appreciate the chairman's recognition of my efforts on behalf of the residents at Forest Haven.

The committee has provided that additional funds will now be available to hire 20 additional personnel to provide direct care of the residents. However, of special importance is an extra step taken by the committee to insure that these funds will be used as intended. As Chairman CHILES pointed out:

The committee is shocked by the continuing revelations of the abuse of Forest Haven residents. In order to help assure their safety, the committee decided not to wait for the fiscal year 1977 budget for action and has made special provision in the transition quarter for 20 of the 80 positions originally requested for the second year of the improvement program.

The committee has made it clear that there should be no further delays in urgently needed improvements at Forest Haven.

STATE POLISHES ITS APPLICATION FOR SOLAR CENTER

Mr. HRUSKA. Mr. President, my home State of Nebraska is in the final stages of preparing its application to become the home of the new Solar Energy Research Institute. All of those who have had a hand in this process are to be commended.

The institute will be in the forefront in the development of solar energy as a practical energy source for the future. I believe Nebraska will be a perfect site for the Institute. The State has the enthusiasm, resources, and personnel to best lead the way into solar energy research for America and the world. It is my hope that the Energy Research and Development Administration will choose Nebraska as the site for the institute when a decision is made later this year.

Mr. President, in a recent article published in the Omaha World-Herald, Nebraska's activities in this regard are clearly described. I ask unanimous consent that the article, "State Polishes Its Application for Solar Center" be printed in the RECORD.

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

STATE POLISHES ITS APPLICATION FOR SOLAR CENTER

(By Frank Partsch)

LINCOLN.—Nebraska's bid to become the home of the federal government's Solar Energy Research Institute (SERI) received its final polishing Friday before being sent to the printer.

The 300-page document will be ready early in July—in time ot meet a July 15 deadline for submission to the federal government, according to Don Edwards, head of a State of Nebraska task force that prepared it.

A decision by the federal government is expected in early December, said Edwards, associate dean and director of engineering research at the University of Nebraska-Lincoln.

"It's a complete compilation of everything that's going on in the state with regard to energy," Edwards said. "No matter how it turns out, the spin-off will be tremendous in having all of its information in one place."

The application asks the federal government to enter into a contract with Nebraska Energy Research Corp. to locate the facility on the 9,500 acre University of Nebraska Field Laboratory at Read. Nebraska Energy Research is a nonprofit corporation headed by the governor and the president of the University of Nebraska system. Its directors include officials of the state and private industries.

Federal sources have said that the initial contract would be effective next Jan. 1, Edwards said. The Nebraska application proposes a $5.2 million budget for the first year of operations, growing to $9.8 million in 1978 and $15.8 million in 1979.

Employment levels would increase from 114 in 1977 to 577 at the end of the first three years.

The application predicts SERI would spend its first three years in temporary quarters at the former John F. Kennedy College campus at Wahoo—or elsewhere in the Omaha-Lincoln area—before moving to a permanent site at Mead around 1980. The capital construction estimate for that facility, Edwards said, is $19.8 million.

It's conceivable that much more than that ultimately would go into the building and its equipment, he said.

Edwards said it's difficult to guess how many other areas are preparing applications. "Everything's very hush-hush right now," he said, contrasting that with a great deal of publicity about the SERI earlier this spring.

"We know of about 50 applications previously," he added. "Now that we're down to the nuts and bolts, there may be more and there may be less."

A task force of about 50 people prepared Nebraska's application, including "a list of who's who in Nebraska energy," Edwards said. The document also contains expressions in behalf of Nebraska from more than 100 of the state's most prominent leaders and organizations and from the Mid-America State Universities Association.

Among the arguments in favor of locating SERI in Nebraska cited in the application's preface:

Central location, high quality of life, excellent transportation and communications, widespread citizen interest, abundant water, insignificant air pollution, few earthquakes, available land.

Proximity to the University of Nebraska campuses at Lincoln and Omaha, research laboratories, other colleges and universities and the Strategic Air Command Headquarters.

Location in the sunniest and windiest parts of the nation.

Leadership in such programs as Gasohol and other energy-related research, good engineering college.

WOMEN IN SOCIETY AND THE CONGRESSIONAL SEX SCANDALS

Mr. McGOVERN. Mr. President, buried within all the publicity and attention that has been concentrated on the embarrassing sexual episodes on Capitol Hill is a problem that may still be plaguing us long after the current congressional sex scandals have been forgotten.

The issue is more than misuse of public funds and pressure on employees to provide sexual favors for their employers. Part of the problem is the widespread discrimination against women that pervades society, including Capitol Hill.

Women on Capitol Hill, women as housewives and mothers, and women in the business and professional world all have had to work much harder than men to earn the recognition and respect, not to mention equal pay and opportunity they deserve for the worth of their efforts. Clearly some advances in the struggle to break down sexual discrimination in employment and the home have been made. But these have mostly been on an individual basis, where each woman has had to prove that she is as intelligent and as able and as willing as a man to take on and successfully carry out professional responsibilities or the care and management of a household. But the recent disclosures of sexual duress are sad proof that the struggle is far from won. Now those women who do have important positions in all areas of Hill work and those who do take their jobs very seriously must contend with

the tiresome and frivolous question—"but can you type?"

This whole matter could be viewed as a major setback to the women employees in the Senate and House, reflecting falsely on their integrity and professionalism and outweighing the progress they have made in combating discrimination on Capitol Hill. But I hope this will not be the case, for I think something positive can come out of all this. It is clear now that measures guiding Members of the Congress in establishing and implementing fair and reasonable employment practices are called for. And perhaps all of the publicity that has so far been given to the minority of cases of both women and men who have succumbed to a set of lazy congressional ethics will serve to focus attention on the majority of Capitol Hill women who play a large and important role in running offices, directing committees, drafting legislation and statements, serving constituents and completing countless other jobs that keep Congress functioning.

THE DEMOCRATIC PLATFORM: FULL EMPLOYMENT AND BALANCED GROWTH

Mr. HUMPHREY. Mr. President, the Democratic Platform Committee has adopted a statement that says in effect that the survival of our democratic system—the survival of our freedom and self-respect—depend squarely on the vitality of our economy.

In one of its finest efforts, the committee proposes that the Democratic Party and its candidates, as a first and overriding order of business, pledge themselves to achieving and sustaining the economic climate that will open the way for all of our people to realize their potential through opportunities for meaningful, productive work.

This, in a very real sense, is a renewal of the promise of America itself. I have no doubt that these and other provisions in the platform will be readily adopted at the Democratic National Convention next month.

Mr. President, the key to the platform recommendations on the economy can be found in the following two sentences:

> The Democratic Party is committed to the right of all adult Americans willing, able and seeking work to have opportunities for useful jobs at living wages. To make this commitment meaningful, we pledge ourselves to support of legislation that will make every responsible effort to reduce adult unemployment to 3 percent within four years.

To achieve this goal, the platform sets forth a series of legislative recommendations to permanently require the administration, the Federal Reserve, and the Congress to work in concert to develop and implement the policies and programs that will allow the Nation to reach and hold full employment prosperity while maintaining adequate safeguards against inflation.

The primary emphasis in this effort would be aimed at implementing the fiscal and monetary policies that would promote the utilization of the Nation's full commercial and industrial capacity to create needed new jobs.

When necessary, and only as long as it is necessary, the gap between private sector employment and the unemployment goal of 3 percent would be filled by federally funded job training programs, State and local government public works and facilities, and outright grants to State and local governments. A large portion of these expenditures would result in expansion of private sector job opportunities. In addition, federally funded State and local government public service jobs would also be federally funded when necessary to meet the unemployment goal.

The proposed platform also endorses consideration of establishing a Domestic Development Bank to make low-interest loans to small business and to State and local governments when adequate loan funds on reasonable terms are not available to these priority area borrowers, and permitting State and local governments to issue federally insured and taxable bonds.

It should be pointed out that the platform clearly recognizes the need to target employment-generating programs in the urban and rural areas of greatest need. This selective approach to application of Federal resources would insure maximum benefit from such investments.

The platform proposals to achieve a full employment economy should be a source of particular pride to members of the Joint Economic Committee. These recommendations reflect the findings of the committee following a series of field hearings to determine the dimensions, effect, and cause of the Nation's economic crisis, both in terms of the current recession and all the other recessions that have occurred with increasing frequency and severity since the end of World War II. The hearings produced testimony from representatives of virtually every walk of life and every level and category of the economy, ranging from unemployed workers to financial experts and economists.

From this effort by the Joint Economic Committee emerged the Full Employment and Balanced Growth Act of 1976. As chairman of the JEC, I introduced the bill in the Senate and Representative AUGUSTUS HAWKINS introduced an identical measure in the House. Both bills have been moved through the legislative process and are approaching the point of floor action. Their adoption will provide the framework and procedures to attain virtually all of the platform committee's recommendations to achieve and hold full employment, price stability, and balanced growth.

Mr. President, I ask unanimous consent that the platform committee's proposals to restore our economy and get the Nation back to work as quickly as possible, be printed in the RECORD. I urge every Member of Congress to read this statement and become acquainted with the direction in which the Democratic Party and its candidates intend to move and to understand the basis for the provisions of the Full Employment and Balanced Growth Act of 1976 which legislatively articulates this section of the platform.

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

I. FULLY EMPLOYMENT, PRICE STABILITY AND BALANCED GROWTH

The Democratic Party's concern for human dignity and freedom has been directed at increasing the economic opportunities for all our citizens and reducing the economic deprivation and inequities that have stained the record of American democracy.

Today, millions of people are unemployed. Unemployment represents mental anxiety, fear of harassment over unpaid bills, idle hours, loss of self-esteem, strained family relationships, deprivation of children and youth, alcoholism, drug abuse and crime. A job is a key measure of a persons' place in society—whether as a full-fledged participant or on the outside. Jobs are the solution to poverty, hunger and other basic needs of workers and their families. Jobs enable a person to translate legal rights of equality into reality.

Our industrial capacity is also wastefully underutilized. There are houses to build, urban centers to rebuild, roads and railroads to construct and repair, rivers to clean, and new sources of energy to develop. Something is wrong when there is work to be done, and the people who are willing to do it are without jobs. What we have lacked is leadership.

REPUBLICAN MANAGEMENT

During the past 25 years, the American economy has suffered five major recessions, all under Republican administrations. During the past eight years, we have had two costly recessions with continuing unprecedented peacetime inflation. "Stagflation" has become a new word in our language just as it has become a phenomenon produced by the Republicans. Never before have we had soaring inflation in the midst of a major recession.

Stagnation, waste and human suffering are the legacy left to the American people by Republican economic policies. During the past five years, U.S. economic growth has averaged only 1½ percent per year compared with an historical average of about 4 percent. Because of this shortfall, the nation has lost some $500 billion in the production of goods and services, and, if Republican rule continues, we can expect to lose another $600–$800 billion by 1980.

Ten million people are unemployed right now, and twenty to thirty million were jobless at some time in each of the last two years. For major groups in the labor force—minorities, women, youth, older workers, farm, factory and construction workers—unemployment has been, and remains, at depression levels.

The rising cost of food, clothing, housing, energy and health care has eroded the income of the average American family, and has pushed persons on fixed incomes to the brink of economic disaster. Since 1970, the annual rate of inflation has averaged more than 6 percent and is projected by the Ford Administration to continue at an unprecedented peacetime rate of 6 to 7 percent until 1978.

The depressed production and high unemployment rates of the Nixon-Ford Administrations have produced federal deficits totalling $242 billion. Those who should be working and paying taxes are collecting unemployment compensation or other welfare payments in order to survive. For every one percent increase in the unemployment rate—for every one million Americans out of work—we all pay $3 billion more in unemployment compensation and $2 billion in welfare and related costs, and lose $14 billion in taxes. In fiscal 1976, $76 billion was lost to the Federal government through increased recession-related expenditures and lost revenues. In addition, state and local governments lost $27 billion in revenues. A return to full employment will eliminate such deficits. With

prudent management of existing programs, full employment revenues will permit the financing of national Democratic initiatives.

For millions of Americans, the Republican Party has substituted welfare for work. Huge sums will be spent on food stamps and medical care for families of the unemployed. Social insurance costs are greatly increased. This year alone the federal government will spend nearly $20 billion on unemployment compensation. In contrast, spending on job development is only $2½ billion. The goal of the new Democratic administration will be to turn unemployment checks into pay checks.

WHAT DEMOCRATS CAN ACHIEVE

In contrast to the record of Republican mismanagement, the most recent eight years of Democratic leadership, under John F. Kennedy and Lyndon B. Johnson, produced economic growth that was virtually uninterrupted. The unemployment rate dropped from 6.7 percent in 1961 to 3.6 percent in 1968, and most segments of the population benefitted. Inflation increased at an average annual rate of only 2 percent, and the purchasing power of the average family steadily increased. In 1960, about 40 million people were living in poverty. Over the next eight years, 14½ million people moved out of poverty because of training opportunities, increased jobs and higher incomes. Since 1968, the number of persons living in poverty has remained virtually unchanged.

We have met the goals of full employment with stable prices in the past and can do it again. The Democratic Party is committed to the right of all adult Americans willing, able and seeking work to have opportunities for useful jobs at living wages. To make that commitment meaningful, we pledge ourselves to the support of legislation that will make every responsible effort to reduce adult unemployment to 3 percent within 4 years.

MODERNIZING ECONOMIC POLICY

To meet our goals we must set annual targets for employment, production and price stability; the Federal Reserve must be made a full partner in national economic decisions and become responsive to the economic goals of Congress and the President; credit must be generally available at reasonable interest rates; tax, spending and credit policies must be carefully coordinated with our economic goals, and coordinated within the framework of national economic planning.

Of special importance is the need for national economic planning capability. This planning capability should provide roles for Congress and the Executive as equal partners in the process and provide for full participation by the private sector, and state and local government. Government must plan ahead just like any business, and this type of planning can be carried out without the creation of a new bureaucracy but rather through the well-defined use of existing bodies and techniques. If we do not plan, but continue to react to crisis after crisis, our economic performance will be further eroded.

FULL EMPLOYMENT POLICIES

Institutional reforms and the use of conventional tax, spending and credit policies must be accompanied by a broad range of carefully-targeted employment programs that will reduce unemployment in the private sector, and in regions, states and groups that have special employment problems.

The lack of formal coordination among federal, state and local governments is a major obstacle to full employment. The absence of economic policy coordination is particularly visible during times of high unemployment. Recessions reduce tax revenues, and increase unemployment-related expenditures for state and local governments. To maintain balanced budgets or reduce budget deficits these governments are forced to increase taxes and cut services—actions that directly undermine federal efforts to stimulate the economy.

Consistent and coherent economic policy requires federal anti-recession grant programs to state and local governments, accompanied by public employment, public works projects and direct stimulus to the private sector. In each case, the programs should be phased in automatically when unemployment rises and phased out as it declines.

Even during periods of normal economic growth there are communities and regions of the country—particularly central cities and rural areas—that do not fully participate in national economic prosperity. The Democratic Party has supported national economic policies which have consciously sought to aid regions in the nation which have been afflicted with poverty, or newer regions which have needed resources for development. These policies were soundly conceived and have been successful. Today, we have different areas and regions in economic decline and once again face a problem of balanced economic growth. To restore balance, national economic policy should be designed to target federal resources to areas of greatest need. To make low interest loans to businesses and state and local governments for the purpose of encouraging private sector investment in chronically depressed areas, we endorse consideration of programs such as a domestic development bank or federally insured taxable state and local bonds with adequate funding, proper management and public disclosure.

Special problems faced by young people, especially minorities, entering the labor force persist regardless of the state of the economy. To meet the needs of youth, we should consolidate existing youth employment; improve training, apprenticeship, internship and job-counseling programs at the high school and college levels; and permit youth participation in public employment projects.

There are people who will be especially difficult to employ. Special means for training and locating jobs for these people in the private sector, and, to the extent required, in public employment, should be established. Every effort should be made to create jobs in the private sector. But, useful public jobs are far superior to welfare and unemployment payments. The federal government has the responsibility to ensure that all Americans able, willing and seeking work are provided opportunities for useful jobs.

EQUAL EMPLOYMENT OPPORTUNITY

We must be absolutely certain that no person is excluded from the fullest opportunity for economic and social participation in our society on the basis of sex, age, color, religion or national origin. Minority unemployment has historically been at least double the aggregate unemployment rate, with incomes at two-thirds the national average. Special emphasis must be placed on closing this gap.

Accordingly, we reaffirm this party's commitment to full and vigorous enforcement of all equal opportunities laws and affirmative action. The principal agencies charged with anti-discrimination enforcement in jobs—the Equal Employment Opportunity Commission, the Department of Labor, and the Justice Department—are locked into such overlapping and uncoordinated strategies that a greatly improved governmentwide system for the delivery of equal job and promotion opportunities must be developed and adequate funding committed to that end. New remedies to provide equal opportunities need exploration.

ANTI-INFLATION POLICIES

The economic and social costs of inflation have been enormous. Inflation is a tax that erodes the income of our workers, distorts business investment decisions, and redistributes income in favor of the rich. Americans on fixed incomes, such as the elderly, are often pushed into poverty by this cruel tax.

The Ford Administration and its economic advisors have been consistently wrong about the sources and cures of the inflation that has plagued our nation and our people. Fighting inflation by curtailing production and increasing unemployment has done nothing to restrain it. With the current high level of unemployment and low level of capacity utilization, we can increase production and employment without rekindling inflation.

A comprehensive anti-inflation policy must be established to assure relative price stability. Such a program should emphasize increased production and productivity and should take other measures to enhance the stability and flexibility of our economy.

The see-saw progress of our economy over the past eight years has disrupted economic growth. Much of the instability has been created by stop and go monetary policies. High interest rates and the recurring underutilization of our manufacturing plant and equipment have retarded new investment. The high cost of credit has stifled small business and virtually halted the housing industry. Unemployment in the construction industry has been raised to depression levels and home ownership has been priced beyond the reach of the majority of our people.

Stable economic growth with moderate interest rates will not only place downward pressure on prices through greater efficiency and productivity, but will reduce the prospects for future shortages of supply by increasing the production of essential goods and services and by providing a more predictable environment for business investment.

The government must also work to improve the ability of our economy to respond to change. Competition in the private sector, a reexamination, reform and consolidation of the existing regulatory structure, and promotion of a freer but fair system of international trade will aid in achieving that goal.

At times, direct government involvement in wage and price decisions may be required to ensure price stability. But we do not believe that such involvement requires a comprehensive system of mandatory controls at this time. It will require that business and labor must meet fair standards of wage and price change. A strong domestic council on price and wage stability should be established with particular attention to restraining price increases in those sectors of our economy where prices are "administered" and where price competition does not exist.

The federal government should hold public hearings, investigate and publish facts on price, profit, wage and interest rate increases that seriously threaten national price stability. Such investigations and proper planning can focus public opinion and awareness on the direction of price, profit, wage and interest rate decisions.

Finally, tax policy should be used if necessary to maintain the real income of workers as was done with the 1975 tax cut.

ECONOMIC JUSTICE

The Democratic Party has a long history of opposition to the undue concentration of wealth and economic power. It is estimated that about three-quarters of the country's total wealth is owned by one-fifth of the people. The rest of our population struggles to make ends meet in the face of rising prices and taxes.

Antitrust Enforcement—The next Democratic Administration will commit itself to move vigorously against anti-competitive concentration of power within the business sector. This can be accomplished in part by strengthening the anti-trust laws and insuring adequate commitment and resources for the enforcement of these laws. But we must go beyond this negative remedy to a positive

policy for encouraging the development of small business, including the family farm.

Small Businesses—A healthy and growing small business community is a prerequisite for increasing competition and a thriving national economy. While most people would accept this view, the federal government has in the past impeded the growth of small business.

To alleviate the unfavorable conditions for small business, we must make every effort to assure the availability of loans to small business, including direct government loans at reasonable interest rates, particularly to those in greatest need, including minority-owned businesses. For example, efforts should be made to strengthen minority business programs, and increase minority opportunities for business ownership. We support similar programs and opportunities for women. Federal contract and procurement opportunities in such areas as housing, transportation and energy should support efforts to increase the volume of minority and small business involvement. Regulatory agencies and the regulated small business must work together to see that federal regulations are met, without applying a stranglehold on the small firm or farm and with less paperwork and red tape.

Tax Reform—Economic justice will also require a firm commitment to tax reform at all levels. In recent years there has been a shift in the tax burden from the rich to the working people of this country. The Internal Revenue Code offers massive tax welfare to the wealthiest income groups in the population and only higher taxes for the average citizen. In 1973, there were 622 people with adjusted income of $100,000 or more who still managed to pay no tax. Most families pay between 20 and 25 percent of their incomes in taxes.

We have had endless talk about the need for tax reform and fairness in our federal tax system.

It is now time for action.

We pledge the Democratic Party to a complete overhaul of the present tax system, which will review all special tax provisions to ensure that they are justified and distributed equitably among our citizens. A responsible Democratic tax reform program could save over $5 billion in the first year with larger savings in the future. Such a program should include:

Strengthening the internal revenue tax code so that high income citizens pay a reasonable tax on all economic income;

Reducing the use of unjustified tax shelters in such areas as oil and gas, tax-loss farming, real estate, and movies;

Eliminating unnecessary and ineffective tax provisions to business and substituting effective incentives to encourage small business and capital formation. Our commitment to full employment and sustained purchasing power will also provide a strong incentive for capital formation.

Ending abuses in the tax treatment of income from foreign sources; such as special tax treatment and incentives for multi-national corporations that drain jobs and capital from the American economy.

Overhauling federal estate and gift taxes to provide an effective and equitable structure to promote tax justice and alleviate some of the legitimate problems faced by farmers, small business men and women and others who would otherwise be forced to liquidate assets in order to pay the tax;

Seeking and eliminating provisions that encourage uneconomic corporate mergers and acquisitions;

Eliminating tax inequities that adversely affect individuals on the basis of sex or marital status;

Curbing expense account deductions.

And we will protect the rights of all taxpayers against oppressive procedures, harassment and invasions of privacy by the Internal Revenue Service.

At present, many federal government tax and expenditure programs have a profound but unintended and undesirable impact on jobs and on where people and business locate. Tax policies and other indirect subsidies have promoted deterioration of cities and regions. These policies should be reversed.

There are other areas of taxation where change is also needed. The Ford Administration's unwise and unfair proposal to *raise* the regressive social security tax gives new urgency to the Democratic Party's goal of redistributing the burden of the social security tax by raising the wage base for earnings subject to the tax with effective exemptions and deductions to ease the impact on low income workers and two-earner families. Further revision in the Social Security program will be required so that women are treated as individuals.

The Democratic Party should make a reappraisal of the appropriate sources of federal revenues. The historical distribution of the tax burden between corporations and individuals, and among the various types of federal taxes, has changed dramatically in recent years. For example, the corporate tax share of federal revenue has declined from 30 percent in 1954 to 14 percent in 1975.

Labor Standards and Rights—The purpose of fair labor standards legislation has been the maintenance of the minimum standards necessary for the health, efficiency and general well-being of workers. Recent inflation has eroded the real value of the current mimimum wage. This rapid devaluation of basic income for working people makes a periodic review of the level of the minimum wage essential. Such a review should insure that the minimum wage rate at least keep pace with the increase in the cost of living.

Raising the pay standard for overtime work, additional hiring of part time persons, and flexible work schedules will increase the independence of workers and create additional job opportunities, especially for women. We also support the principle of equal pay for comparable work. We are committed to full implementation and enforcement of the Equal Credit Opportunity Act.

Over a generation ago this nation established a labor policy whose purpose is to encourage the practice and procedure of collective bargaining and the right of workers to organize to obtain this goal. The Democratic Party is committed to extending the benefit of the policy to all workers and to removing the barriers to its administration. We support the right of public employees and agricultural workers to organize and bargain collectively. We urge the adoption of appropriate Federal legislation to ensure this goal.

We will seek to amend the Fair Labor Standards Act to speed up redress of grievances of workers asserting their legal rights.

We will seek to enforce and, when necessary, to amend the Labor Management Act to eliminate delays and inequities and to provide for more effective remedies and administration.

We will support the full right of construction workers to peacefully picket a job site.

We will seek repeal of Section 14(b) of the Taft-Hartley Act which allows states to legislate the anti-union open shop.

We will maintain strong support for the process of voluntary arbitration, and we will enact minimum federal standards for workers compensation laws and for eligibility, benefit amounts, benefit duration and other essential features of the unemployment insurance program. Unemployment insurance should cover all wage and salary workers.

The Occupational Safety and Health Act of 1970 should cover all employees and be enforced as intended when the law was enacted. Early and periodic review of its provisions should be made to insure that they are reasonable and workable.

The Democratic Party will also seek to enact a comprehensive mine safety law, utilizing the most effective and independent enforcement by the Federal Government, and support special legislation providing adequate compensation to coal miners and their dependents who have suffered disablement or death as a result of the black lung disease.

We believe these policies will put America back to work, bring balanced growth to our economy, and give all Americans an opportunity to share in the expanding prosperity that will come from a new Democratic Administration.

RELIEF AROUND THE BEND FOR FLOOD-STRICKEN FARMERS

Mr. HRUSKA. Mr. President, it is my pleasure to express my support for the bill, S. 2758, to authorize bank stabilization work on the Missouri River between Fort Randall Dam, S. Dak., and Sioux City, Iowa.

As other witnesses indicate, the bank stabilization problem has been with us a long time. Much property has been lost to the erosion that has occurred along the banks of the Missouri. In our part of the country, land means money and the farmers and others living in the affected area have lost plenty of both.

In 1974 the Congress approved the Streambank Erosion Control Evaluation and Demonstration Act. Section 32 of this law, Public Law 251, designates reaches of several rivers throughout the country for specific attention for use of experimental techniques to correct streambank erosion. One of those reaches is from Fort Randall Dam to Sioux City. The Congress authorized $25 million to be spent on the entire program, nationwide.

In spite of this specific direction from the Congress, the Army Corps of Engineers never has recommended that funds for this program be included in its budget. The money that has been appropriated for streambank erosion control has come at the initiative of the Congress.

Currently, the Corps of Engineers is beginning to work on certain areas of the Missouri and some help should be forthcoming.

Clearly, something more than a demonstration program is needed, however.

I urge this subcommittee to favorably report this legislation that should mean much to the citizens of both South Dakota and Nebraska who are now at the mercy of the Missouri River. Permanent, effective bank stabilization work is needed as soon as possible.

Mr. Chairman, the Norfolk Daily News recently published an interesting and informative article on the situation along the Missouri. It clearly describes the strong, local concern that exists in the area for a workable solution to the problem. Led by Earl Rowland of Newcastle, Nebr., an organization was formed and something has been done. The demonstration program is beginning to work, but more is needed. Let us hope this bill will provide the additional assistance.

With your permission, Mr. Chairman, I ask unanimous consent that a copy of

the article, entitled "Relief Around the Bend for Flood-Stricken Farmers," that appeared in the Norfolk paper, be printed in the RECORD.

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

RELIEF AROUND THE BEND FOR FLOOD-STRICKEN FARMERS

(By Greg Wees)

Five years ago, Earl Rowland and his neighbors at Newcastle knew something had to be done about the river that was destroying them.

So in 1971, he and six families gathered at the Allen Ellyson farm where the swift Missouri current was chewing at the shore, flooding acres of land.

In addition to state officials, they invited about 100 farmers. That afternoon the Missiuro River Bank Stabilization Association was born. Its goal: to alert federal officials that the river had to be arrested and annual flooding stopped. Rowland was appointed leader.

The boiling point was reached last year when 150 angry members at St. Peter's Hall in Newcastle formally asked President Ford to declare 100 miles of shoreline from Fort Randall Dam in South Dakota to Ponca eligible for emergency action.

The landowners then estimated 2,377 acres, several farm buildings and four businesses had been deluged. Two South Dakota farmers said they suffered combined crop losses of $55,000 and more were in store.

Rowland's land was particularly hard hit. The river's eroding action effaced 100 acres over six years. Of 40 acres he set aside as wildlife habitat, now only two remained above water.

An articulate spokesman, Rowland let it be known he didn't believe Army Corps of Engineers' figures which placed annual riverbank erosion at not more than 320 acres. He claimed then that record runoff from upriver dams had tripled erosion and that Corps estimates were outdated.

"It's been pretty dark for a long time," Rowland said this week in an interview, "but we're beginning to see the light at the end of the tunnel."

Rowland learned within the last three weeks that a stretch of the Missouri River north of his home had been included among four Corps demonstration projects in the U.S. to curb river ravages. The others are on the Ohio River, Yazoo River in Mississippi and the Missouri River near Ft. Garrison Dam in North Dakota.

From Omaha headquarters, Jack Mielke, Corps engineer in charge of the project, said $500,000 has been allocated to build erosion control structures along Brookey Bottom Road near Obert and the Vermillion Chute on the South Dakota side of the river.

Go-ahead is still subject to the signature of the chief engineer in Washington. However, Mielke said contract bids are expected to be let by late fall and construction will take about 90 days.

Rowland attributed the grant to his group's hard work.

"Congressman (Charles) Thone said at our banquet it shows what a local citizens' group can do. He gave our organization the credit," Rowland said.

Also playing a leading role was Nebraska Senator Roman Hruska.

"If we hadn't had a congressman or senator on the Appropriations Committee, we would have had to go through a friend and it wouldn't have been as effective, maybe taken longer," Rowland said. Hruska is the ranking minority member of that committee.

"He presented the question why it (the Corps) hadn't put our stretch of river in the budget," he said. "In the end we got $500,000."

Rowland emphasized that congressional delegations from Nebraska, South Dakota and Iowa pushed the problem landowners faced to the forefront. When it appeared that $325,000 was the most that would be available locally, nine senators and congressmen wrote the secretary of the Army and Office of Management and Budget, among others, Rowland said.

"It had a lot to do with us ending up with $500,000," he said.

Rowland doesn't remember how many meetings he has attended since becoming involved in 1971, though he figures he has traveled to three meetings a month on the average. Washington, D.C., parleys have drawn him once to testify before a congressional hearing and two other times to talk with the Corps.

He says he is happy with the results and expresses hopes that more relief will be coming. The stabilization association will ask for $2 million from Congress next year, Rowland said.

The structures the Corps will build on the Missouri differ from existing erosion control methods, Rowland said. They can be built for half the cost and are experimental, but still slow the current.

Slopes on the new revetments will be grass covered and more aesthetically pleasing, he said. The current-controlling structures will extend about 30 feet into river, at right angles to the current. Soft chalk rocks and harder rocks are components. A cobblestone effect highlights the structures that will be less prominent than existing ones.

Mielke said other Nebraska sites targeted for structures eventually include Ryan Bend northeast of Newcastle and Mulberry Bend northwest of Newcastle. South Dakota sites chosen are the Vermillion Boat Club and Mulberry Point. There are also three sites in North Dakota.

Mielke said these areas have highest priority, but that construction starts depend on funds. Environmental impact studies must be completed before construction, too.

Rowland complained that his group's efforts have sometimes been confused with channelization, where the river is diverted from one location to another. Stabilization, he explained, means to stop the cutting action of the current through building revetments at strategic locations. It is a new approach to erosion control.

"They (Corps) are not forcing the water to go someplace else just stopping it from going any farther," he said.

Conventional approaches at Brookey Bottom would have cost in excess of $1 million, he said. Yet this cost has been trimmed by three-quarters under the experimental approach.

"We've convinced them (Corps and others) there is more merit to the approach of stabilization demonstrations. We realize it's not an overall cure but it might lead us to a cure at a price we can afford," Rowland said.

The emergency declaration sought from governors of Nebraska and South Dakota and the president never materialized, Rowland said, and a federal judge ruled against the stabilization association in a Sioux Falls, S.D., lawsuit that asked the judge to order the Corps to reduce waterflow from Ft. Randall Dam.

Nevertheless, Rowland said the South Dakota trial proved that erosion figures of 320 acres a year the Corps had been citing fell short of actual erosion.

"The judge said the water was there and it had to come out and he could see no purpose in telling the Corps to cut the flow," Rowland said.

But this year the volume of water will be half of last year's record levels and Rowland is satisfied that relief is just around the corner.

NASA MEAL SYSTEM FOR THE ELDERLY

Mr. McGOVERN. Mr. President, on June 17, I introduced S. 3585, the National Meals-on-Wheels Act of 1976. One of the features of this act is the establishment of demonstration projects to study an innovative form of meal delivery, the National Aeronautics and Space Administration's meal system for the elderly. The NASA system uses prepackaged meals, either dehydrated or canned, which are mailed or delivered on a weekly basis to isolated senior citizens. This could be an important development for those in rural areas who have difficulty in obtaining sufficient food.

I am pleased to place in the RECORD today the second progress report of the experimentation begun on this system by NASA, the Lyndon B. Johnson School of Public Affairs, and United Action for the Elderly. The results which have been reached so far provide a strong basis for developing this project on a larger scale. I ask unanimous consent that this report be printed in the RECORD.

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

MEAL SYSTEMS FOR THE ELDERLY

(The Lyndon B. Johnson School of Public Affairs (LBJ/SPA) in cooperation with United Action for the Elderly (UAE), Texas Research Institute for Mental Sciences (TRIMS), and the National Aeronautics and Space Administration (NASA), is involved in a year-long policy research project. The purpose of the project is the design, development, field testing, and evaluation of a new type of home-delivered meals for the elderly. The LBJ School portion of the project is financed by the Texas Department of Public Welfare from Title XX Social Services funds.

(The project's goal is to provide an alternative meal service for the many elderly persons who cannot participate in current meals programs—either home delivered or congregate—because they are temporarily ill, handicapped, immobile, or live in areas where no meals programs exist. The basic concept of the program is simple: conventional food in single serving units is assembled into balanced, individual meals which can be easily transported to people's homes. The food items are either canned, or freeze-dried, and are shelf-stable, requiring no refrigeration or freezing. Elderly participants need only heat the canned food items, or add hot or cold water to the freeze-dried items to prepare a meal. By providing individuals with a shelf-stable, nutritious packaged meal, it is hoped that elderly citizens currently outside the scope of traditional meal services can live longer in their own homes rather than becoming institutionalized.

(The early stages of the project (Phase I and II) were described in a progress report issued in December, 1975. This report deals with developments since that time.)

PHASE III—IMPLEMENTATION AND DESIGN

Planning for Phase III, the full-scale field demonstration of the Meals for the Elderly project, was carried out throughout the fall of 1975. A detailed implementation plan was developed which outlined the responsibilities of each of the principal agents. NASA would provide all meals, and redesign the meal system taking into account the recommendations which emerged from evaluation of the

short term field demonstration. LBJ/SPA would assist in the planning of the field demonstration and would conduct the program evaluation. UAE would plan, coordinate and execute the field demonstration, and organize and control shipping, storage and distribution of the meals.

Modifications of the meal system design were recommended to NASA on the basis of findings of the preliminary field demonstration. NASA adopted many of the recommendations. For example, the serving tray that had been included in each meal during Phase II was deleted. It was found that few participants used the tray, preferring to eat the meal off their own dishes. Instructions on the reconstitution of freeze-dried items were changed to reflect more accurately the time needed for preparation. Because some elderly persons had difficulty reading information on the individual food items during Phase II, the print size on all items was enlarged for Phase III. In addition, new pictoral instructions for food preparation were included on food packages, as well as a color coding indicating whether the item was to be heated, or chilled. A 21-day meal cycle was developed for use during Phase III which omitted certain items such as peanuts and almonds that had proved troublesome for the elderly to chew during Phase II.

The exterior of the meal system also underwent change. The rectangular white box with blue illustrations used during Phase II was replaced with a hexagonal black, yellow and red container. Each 7 meal cycle was packed in a larger cardboard box for delivery purposes. Changes in preparation instructions, print size, graphics, menu design and package design were made with the needs of the elderly in mind. It was hoped that all changes would increase the appeal of the program to the elderly.

PARTICIPANT SELECTION FOR PHASE III

Approximately 170 elderly persons were scheduled to participate in Phase III. The seven areas of Bastrop, Houston, San Saba, Seguin/5 County areas, Travis Waco/Falls County, and Lamar County were designated as sites from which participants would be selected. The sites represent a mix of urban, rural or small town characteristics with an elderly population representative of the older Texas population.

UAE recruited personnel in each site to perform outreach, establish volunteer networks, and interview potential participants. In most cases, the site coordinators were employed by a Community Action Agency, a Community Service Agency, or a Senior Citizen program. UAE staff and LBJ student coordinators worked with site personnel to set up outreach, to train field workers, and to conduct demonstrations of the meals system. Two orientations were held at each site, the first dealing with outreach and intake training for volunteers, the second dealing with the meal system and delivery methods.

Because some elderly persons cannot tolerate a normal diet, all potential participants went through a medical evaluation. This process took two forms. At a minimum, potential participants were required to obtain certification from their personal physician that they could consume a regular diet, and had no health conditions which restricted their diet. In addition, participants in most sites were offered the opportunity to go through a free medical-nutritional examination performed by a team of doctors from the University of Texas Medical Branch at Galveston, headed by Dr. William McGanity. This medical screening had two purposes. The first was to obtain medical certification that individuals could consume a regular diet. The second was to obtain baseline information from which a medical and nutritional assessment of the program might be made. A second medical examination was scheduled at the completion of the program in order to assess any change in health status which might be attributable to participation in the program. Seventy-five persons participated in the first medical screening, and sixty-one went through the second screening. Comparative data on the medical-nutritional component are presently being evaluated.

One hundred sixty-eight (168) individuals began the Phase III field demonstration. Their principal characteristics are as follows:

Age

	Percent
60–70	32
71–80	46
over 80	22

Ethnicity

	Percent
Anglo	54
Black	35
Mexican-American	11

Sex

	Percent
Male	28
Female	72

Income indicators *

	Percent
SSA	48
SSI	16
SSA+SSI	30
Food Stamps	31
Higher Income **	4

* Does not add up to 100% because of program overlap.

** Higher income defined as not meeting the Title XX Social Services eligibility guidelines.

Participants fell into three major groups: (1) *9 Week Program*—those receiving 63 meals or 3 complete meal cycles for daily use; (2) *15 Week Program*—those receiving 105 meals or 5 complete meal cycles for daily use; (3) *Weekend Supplement Program*—those receiving 18 meals for use as a weekend supplement to an on-going hot meals program. One hundred twenty-eight (128) persons began the 63 day demonstration in late January and early February. Twenty-five members of that group are also taking part in the extended demonstration which is scheduled to run through mid May. Forty (40) elderly persons participated in the weekend supplement phase of the program. As an additional component of the project, twenty-six (26) participants in groups 1 and 2 were also receiving either home health care services from a private home health care agency, or alternate care services provided through the State Department of Public Welfare. This allowed a study of the usefulness of the NASA meal system as a part of an already existing alternate care system.

Two kind of meal delivery were tested—personal and impersonal. All initial deliveries were done by a volunteer who explained and demonstrated meal preparation techniques to the participants. After that time, volunteer contact was minimal for those on an impersonal delivery system, while contact continued for those on a personal delivery system. Deliveries for the weekend supplement were handled in two ways: (1) for those participating in congregate or day care meal programs, NASA meals were available for them to take home each Friday; (2) for those participating in meals on wheels, NASA meals were delivered to them at the time of their Friday hot meal delivery. Midway through the program, some participants began receiving their seven-day meal packages through the U.S. Mail.

EVALUATION: PRELIMINARY FINDINGS

The evaluation of the long term field demonstration relied on three central instruments—individual meal evaluation cards supplied to each participant at the time of meal delivery, a drop-out questionnaire administered to all participants who dropped out before the program's end, and a post demonstration interview conducted at the completion of the program. In addition, student site coordinators maintained weekly contact with site personnel in the field, and received up-to-date information on participants' reactions to the meals program.

Seventeen (17) participants, or ten percent of the sample, dropped out of the program before its completion. Four elderly persons complained that the food did not agree with them, while two participants felt the food tasted unpleasant although not causing them any health difficulties. Three persons were hospitalized during the demonstration for non-food related health problems, and two participants died during the course of the demonstation. The remaining five dropouts discontinued in the program for personal reasons, not specifically health or food related.

Participants' response to the program, on the basis of information provided in the post demonstration questionnaire, was quite favorable. Seventy-five percent liked the program very much, and would like to continue if that opportunity were available to them. When asked what they liked the most about the program, over half cited the food itself. Others liked the ease of food preparation, and the lack of expense associated with the program.

Puddings and drinks were the favorite items of participants. Boned turkey, chicken a la king, and mixed vegetables were also well received. Nearly half of the participants reported adding some spices or seasoning to the food items, salt and pepper being mentioned most frequently. Eighty percent said the NASA food was very similar or somewhat similar to the food they usually ate. Nearly half of the participants preferred canned over freeze-dried items, but only 8 percent expressed unwillingness to eat freeze dried items occasionally. The preference of most participants for canned items is probably due to their familiarity with canned food items since the great majority ate some canned food as part of their usual diet.

Participants reported little difficulty in opening the seven-day meal boxes or individual meal boxes, or in preparing individual food items. Twelve percent of the participants did experience some trouble in opening individual food items. The trouble most frequently mentioned was difficulty in pulling the tabs, or having the tabs break. Since some elderly persons suffer from arthritis, and have impaired dexterity and/or strength in their hands, it will be important to develop opening procedures which can be carried out by almost all elderly persons.

More than 90 percent of the participants found the instructions on the individual food items clear and easy to understand, and only 5 percent reported any difficulty in measuring hot or cold water to reconstitute the freeze dried items. Over 70 percent cooled some parts of the meal (drinks, fruits and puddings) prior to eating them.

Over half of the elderly participants found each meal provided them with enough to eat, and 46 percent felt each meal gave them more than enough to eat. Nearly two thirds reported having leftovers, most persons using them later in the day as part of another meal, or as a snack. While over 90 percent felt it was convenient to have a complete meal in one package, over half mixed food items from different packages to make up their own meals, by picking and choosing favorite items, and sometimes combining items to make new dishes. This shows that the participants did not feel restricted by the meal boxes, but felt free to exercise some judgment in meal planning.

More than 40 percent indicated that their eating habits had changed while on the program. Of this number, most reported that

they were eating both a greater amount, and a greater variety of foods than they had before.

The great majority of participants indicated a preference for home delivery of meals. When asked about picking up the meals from a central location, over 50 percent said they could not do it. Volunteer delivery (with the attendant social contact) was preferred. But 15 participants receiving meals through the mail found this delivery method quite acceptable. Therefore, an impersonal delivery system is a practical alternative, if the packages can be delivered to the homes of the participants. Delivery to a post office, or to a mail box not immediately adjacent to the home would be problematic since the weight of the seven-day package (approx. 10 pounds) makes carrying it even a short distance difficult for many elderly persons.

The response of participants who received the meals as a weekend supplement was also quite favorable. All but one participant of this group said they liked receiving the meals for weekend use. When asked to compare the NASA meals with the meals they received in their current hot meals program, 14 percent felt the NASA meals were better, while over 60 percent indicated they were of similar quality. Most participants also indicated that the NASA meals were of similar or better quality than the meals they normally prepared for themselves on weekends.

Most participants who were receiving alternate care services or home health services responded favorably to the NASA meals. The homemakers or service providers who came into the home to assist participants with household tasks found the meals convenient, and many reported a savings in food shopping and food preparation time. In most instances, however, participation in the food program did not allow the homemaker or provider to shift the task of preparing meals to the client.

Perhaps most indicative of the level of overall favorable response to the program is the finding that over 80 percent of all elderly participants reported they would like to purchase the meals in the grocery store if their cost were about the same as the cost of the groceries they usually bought. Food stamps recipients also indicated they would be willing to use their stamps to purchase the meals. The majority of participants indicated they would buy between 1 and 4 meals per week. Additionally, some participants reported that should they become ill, or less able to perform shopping and food preparation tasks, they would purchase up to 7 meals per week.

Those elderly with very limited financial resources tended to respond most favorably to the program. For many of them, receiving the food gratis represented a savings in cash outlay and permitted them to eat a greater variety and an increased amount of food than they normally ate. Participants with greater financial resources were more inclined to become tired of the program, and to look forward to resuming their previous eating patterns at the program's end. Most did indicate, however, that they would like to use NASA type meals on an occasional basis.

LOOKING AHEAD . . .

Project members are in the process for analyzing evaluation materials in preparation for the comprehensive final report to be issued at the program's end. The report will describe the objectives, program and design, and program implementation of the Food for the Elderly Project, as well as present conclusions and offer policy recommendations. The report will also include a discussion of the potential user populations, rationale for an additional follow-up field demonstration, target groups for such a follow-up, and mechanisms and barriers to widespread implementation.

One additional food technology—the thermostabilized flexible pouch—was not available for Phase III field testing due to a temporary hold by the Food and Drug Administration. That hold is expected to be lifted in the near future, and a small demonstration utilizing flex pouches has been planned. It is anticipated that flex pouch meals will be evaluated by approximately 40 elderly individuals for a period of 2 weeks. During that two-week demonstration, participants will also receive rigid can meals, as well as freeze-dried meals, allowing for a comparative evaluation of all three food technologies.

Several post-program workshops and briefings will be held in the summer and fall of 1976. LBJ/SPA will coordinate these efforts. The workshops and briefings will involve state and federal officials and agencies who may play a role in future utilization of the Food for the Elderly research findings.

CALL FOR ACTION ON THE ARAB BOYCOTT

Mr. RIBICOFF. Mr. President, despite the fact that the Arab boycott of Israel has been growing larger and larger since it began in 1951, most people still do not know very much about it. Only recently have newspapers and magazines begun to focus public attention on the enormity of the problem. Today, 2,000 of our largest corporations are on the blacklist, and the number is still growing. More and more Americans are being coerced into refusing to deal with other Americans as a condition of doing business in the Arab world.

Last week the Secretary of the Treasury, William Simon, testified before a congressional committee that the administration is dealing with the boycott problem, and that further legislation would be counter-productive. On June 12, the Washington Post featured an editorial entitled "Arab Boycott Victims: Americans." In response to Secretary Simon's testimony, it stated that—

It is precisely during the last 2-year period of discreet administration policy that boycott practices have spread to the point where hundreds of millions of dollars of business a year are affected and where Americans are forced to trample on their own laws and values and each other as they pursue Arab business. It is difficult to imagine a policy that has been more discredited.

The editorial went on to urge Congress to "act decisively" on the boycott problem by passing legislation that will make a reality of the stated U.S. policy of discouraging compliance with the boycott by Americans.

People who realize the scope of the boycott and who see its divisive impact on the American economy know that something has to be done, and soon. The Washington Post's editorial is only one of the recent editorial comments which have appeared in highly regarded newspapers calling for strong action to counter the serious effects of the boycott on our trade, our national sovereignty and our moral values. I am greatly encouraged by this, because as the public exposure of the boycott increases, so too will the public's indignation and impatience with the "quiet diplomacy" of the administration.

The boycott is growing bigger and more dangerous every day. We can no longer afford to sit by while the administration drags its heels and refuses to face up to the problem.

I am extremely pleased to see that many of our finest newspapers and magazines are taking a tough stand on the boycott. The time for strong action is long overdue. It is the duty and responsibility of this Congress to enact laws that will effectively implement our policy of discouraging Americans from being drawn into this offensive and exclusionary boycott. I do not believe that the American people will stand for less.

Mr. President, I ask unanimous consent that "Arab Boycott Victims: Americans" be printed in the RECORD.

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

ARAB BOYCOTT VICTIMS: AMERICANS

The specific dimensions of the Arab boycott—in fact, a boycott of American firms that deal with or in Israel or whose officers are identified as "Zionists" or simply as Jews—are becoming known for the first time. One House subcommittee has established that in 1974–75, 637 American exporters sold at least $352 million and perhaps as much as $781 million in goods and services under boycott conditions. Another subcommittee found that in the four months running from last December, one bank alone received and executed 824 Arab letters of credit, worth $41 million, containing boycott clauses.

In one of a number of such cases, General Tire has been accused (by the SEC) of paying a $150,000 commission to get off the boycott list. Although the Justice Department has filed an antitrust suit against Bechtel Corporation for boycotting another American firm in order to fulfill a boycott requirement, Bechtel is said to be notifying subcontractors that Israeli goods or materials shipped on blacklisted vessels cannot be used in a $20 billion Saudi seaport project.

So the Arab boycott is real. It is immense, though sometimes capricious. It seems to be growing as business prospects grow.

What should be done? The administration believes its own current quiet policies suffice. Further legislation would be "counter-productive," Treasury Secretary William Simon argued the other day. But it is precisely during the last two-year period of discreet administration policy that boycott practices have spread to the point where hundreds of millions of dollars of business a year are affected and where Americans are forced to trample on their own laws and values and each other as they pursue Arab business. It is difficult to imagine a policy that has been more discredited.

The Arabs' *primary* boycott of Israel is their own affair. The need is overwhelming, however, for legislation addressing the *secondary* boycott, by which Arabs try to make American companies their instruments in boycotting Israel; and against the *tertiary* boycott, by which Arabs try to make American firms boycott other American firms that deal with Israel or that have Zionist/Jewish officers. Will the Arabs take their business elsewhere? No doubt some will. But since Arabs want American business ties not just for the goods and services but for the broad political ties that come with them, we are confident that most Arabs will decide otherwise. They are not so blind to their own self-interests as apologists for the boycott tend to claim.

The antiboycott principle has been embodied in American law for 11 years. "It is the policy of the United States," says the Export Administration Act, to "oppose" boycotts imposed against friendly countries, and to "encourage and request" American firms not to take part. What is now involved is to turn that eminently sound principle into

actual practice. The State Department has had other—political—matters foremost in mind. The Treasury Department thinks first of dollars. But an increasing number of companies favor legislation that would make it illegal to participate in a practice that—even critics of the legislative approach agree—is fundamentally offensive and un-American. Federal Reserve Board Chairman Arthur Burns stated the other day that it is no longer enough merely to "encourage and request" noncompliance with boycott requests. "It is unjust," he said, "to expect some banks to suffer competitive penalties for responding affirmatively to the spirit of U.S. policy, while others profit by ignoring this policy." He urged Congress to "act decisively." It should.

SENATOR JOHN CULVER'S REMARKS BEFORE THE NATIONAL WAR COLLEGE GRADUATES

Mr. McINTYRE. Mr. President, on June 4, 1976, my very good friend, the junior Senator from Iowa, JOHN CULVER, addressed the graduating class at the National War College on the subject of national defense.

It is my pleasure to ask unanimous consent that the full text of his speech be printed in the RECORD upon the conclusion of my remarks.

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

(See exhibit 1.)

Mr. McINTYRE. Mr. President, Senator CULVER makes very timely and critical points which go far beyond his immediate audience and bear reading by my colleagues and by the American public. In fact, they would provide an important insight for our allies and our potential enemies into a point of view with which I am in full accord.

His remarks also constitute a challenge to our military and civilian leaders and emphasize the need for a strong defense, but a defense with discipline; a defense with less waste; and a defense which this Nation can afford.

Senator CULVER's membership on the Subcommittee for Research and Development, which it is my privilege to chair, as well as on the Committee on Armed Services insures that his philosophy and dynamic convictions will continue to make the deliberations of these bodies even more responsive to the demands of these turbulent times.

EXHIBIT 1

REMARKS OF SENATOR JOHN CULVER

It is a particular pleasure to be invited as your speaker on this occasion. I am grateful, however, that at this military graduation I am not obliged to discriminate between the first in the class and the anchor man. Presumably in mid-career you have achieved a rough equality, and by your attendance at the War College you all deserve to get an honors grade.

Ten months of intensive study of political and military affairs is, no doubt, a welcome respite from daily job pressures. But I hope and trust that you have found this sabbatical an opportunity to broaden your perspective as well as your knowledge and to break free from your preconceptions as well as from daily work routines.

There are rhythms to life which we fight at our peril. We need the counterpoint of contemplation to balance hard-driving activity. And just as a trans-Atlantic flight can upset our bodily functions for many days, we can also suffer from mental jet-lag if our ideas do not keep pace with changing realities.

In policy analysis and decision-making, we must be careful of using concepts which are no longer valid. Too many notions of the past have become merely labels on empty bottles.

The "Sino-Soviet bloc" persisted as an idea long after the rift between Moscow and Peking became openly hostile. The "free world" remains a current term, despite the absence of freedom in many of the countries presumed to be included and despite the evident conflicts among those nations over wealth and resources.

We have almost laid "isolationist" to rest, since no thinking citizen believes that America can avoid far-reaching involvement in world affairs.

One still-lingering but misleading label, however, is "hawk versus dove." The first term was a catchy phrase for those who wanted to begin the War of 1812 a few years earlier. And it was a clever metaphor for the internal debates during the Cuban missile crisis.

But what do the words mean today? Is it hawkish—or dovish—to support verifiable and effective arms control agreements which limit Soviet military capabilities? Is it hawkish—or dovish—to demand greater efficiency in defense spending and to oppose costly programs which add little if anything to our overall strength so as to have available vitally needed funds to improve current combat readiness.

If we could jettison these old labels, I believe that we would find a broad consensus among the American people on national defense.

Most critics of defense spending are committed to an adequate national defense.

Most ardent defenders of the defense budget acknowledge the need to eliminate waste in military spending.

Thus, the real question we should debate is not more spending or less spending, but sufficient spending in the key areas to deter any potential enemy and to carry out our agreed-upon foreign policy objectives.

Perhaps our greatest failing in recent years has been in the effort to spell out the linkage between foreign policy and defense force structure. After all, to say that defense must be the servant of foreign policy is simply to translate into modern terms Clausewitz's dictum that "war is the continuation of policy by other means."

This audience furnishes an ideal group to explore this linkage and translate it into effective policy. For the war college blends at a high level all of the military services, melds perspectives from both the defense and diplomatic communities, and seeks to analyze our national security and foreign policy objectives in a wide and common framework. And all of you have been professional practitioners of national security affairs.

You represent our finest professionals—with the training, skill, and pride that that status entails. Most of you are military officers, pledged to risk your lives in order to defend the rest of us.

From my own service in the Marine Corps, and from my subsequent service in the Congress, I have come to know a great many officers and civil servants. With few if any exceptions, I admire and respect their professionalism and dedication to duty.

Most comforting of all, at a time of turmoil in our own country and violence around the world, American officers have adhered steadfastly to the fundamental principle of civilian control and constitutional government.

Our history confirms the observation of that wise Frenchman, Alexis de Tocqueville, nearly a century and a half ago. "The remedy for the vices of the army is not to be found in the army itself," he wrote, "but in the country . . . teach the citizens to be educated, orderly, firm, and free and the soldiers will be disciplined and obedient."

It may seem at times that everyone—particularly in the press and in Congress—is critical of the military, and that the transgressions of a few are held against the many. As a politician in Washington today I can assure you all—I know how you must feel!

In fact, society does hold you to higher standards—just as it does elected officials—because of the trust we must place in you, the risks you must be prepared to bear, and the discipline which is essential to military success.

Perhaps our most difficult request is that you be creative and independent-minded within a structure that necessarily imposes a hierarchical system of command and control.

We hope that you will help to maintain, or create where it is lacking, a system that rewards the capacities for integrative thought which cuts across narrow specialisms and anticipates the changing context of the world environment.

Just as you will face individual decisions, so we as a Nation will have to make difficult policy choices with profound and far-reaching consequences. Let me suggest just a few of these basic issues which we will have to resolve in the next few years.

(1) What is our necessary and proper role in the world? Having renounced the role of global policeman, what are we to do? And where in the gamut of policy options does military force belong?

I believe that there is a national consensus to remain actively involved in world affairs and to retain our existing alliances with Japan and Western Europe, but also to emphasize cooperative efforts and nonmilitary means of resolving conflicts. But our national trauma over Vietnam and the current election campaign still cloud our debate and inhibit us from turning this general approach into concrete policies.

(2) Another major question is, how much is enough for defense? The answer cannot simply be a level of defense spending, as if that were some index of national will or some guarantee of insurance protection, but it must include an assessment of what we buy and what nonmilitary sacrifices have to be made.

I was most impressed by testimony given a few weeks ago to the Senate Armed Services Committee by a Dutch general, now a member of Parliament. He stressed the point that "security is more than just defense." It also depends, as I have long believed, on the economic and social health of a country and on the will of the people and their faith in political institutions.

We spoke about Italy and the forthcoming elections in which Communist party candidates are expected to do well. He pointed out that Communists are strong where there is high unemployment, corrupt or inefficient governments, and the least responsiveness to social needs. More NATO divisions will not effectively counter that threat.

The United States, which is clearly first in military power at the present time, is only fourth in per capita expenditures on education; only tenth in health expenditures; and only twentieth in overall life expectancy.

Our long-term viability and success as a Nation depends at least as much on overcoming these deficiencies as in matching every new weapon of our adversaries.

But even within the defense budget, we face hard choices as to what to buy. With 60 cents of every defense dollar going for manpower costs, less money is available for regular operations and new equipment. The old index of cost-effectiveness, dollars per weapon delivered, has driven us to build bigger and more capable platforms. Unfortunately, those systems are more costly and

more vulnerable, in the sense that there are fewer targets for the enemy, each of much higher value.

Somehow we have to sort out these competing priorities, and in a more rational way than preserving the traditional slices of the budget pie for each service and each component of a service.

The Congress is far from blameless in this matter. We have a tendency to seek short-term cuts, though the usual consequence is that we reduce current operations and readiness rather than long-term programs. We often find it easier to delay programs than to make clean up-or-down decisions. And we pay more attention to the glamorous weapons than the vast sums that go for manpower or training or spare parts. And we always insist that bases in other States be closed first.

I cannot promise you that we will do better on the Hill. But I am confident that there is a new mood and new procedures under the Budget Reform Act, which make it easier for us to judge these issues in a broader context.

(3) A third difficult decision is on how to reform our defense forces for future conflicts. Can we anticipate our requirements? Can we change in time?

At the broadest strategic level, we have to reexamine our theories of deterrence in view of nuclear proliferation and the likelihood of terrorist access to nuclear materials. Which of our theories and tactics and assumptions are outmoded when Libya has the bomb and a handful of people can hold a city hostage to nuclear devastation?

Technology has always outraced our training manuals. Tanks and horse cavalry were both available to generals in World War I.

Only one survived that conflict. Battleships and aircraft carriers fought in World War II. Where are the battleships today?

The question that you face, as future planners and commanders, is, what weapons will be obsolete tomorrow? How do we avoid building to fight the last war rather than the next? This is a time of accelerated and unprecedented change, and with the technological revolution, our margin or error is reduced with regard to the battlefield of the future.

Technology is giving us the ability to confront the enemy at long range and with pinpoint accuracy. Precision-guided munitions, remotely piloted vehicles, terrain-comparison guidance—all of these developments can revolutionize warfare as we have known it.

I say "can revolutionize" because it is a probability and not a certainty. After all, airplanes begat air defense missiles, and even ballistic missiles have spawned countermeasures.

What is certain is that the loser of the next war will be the nation which did not explore technology sufficiently.

This does not mean that we should indiscriminately pour money into wild-eyed research programs. We should not abandon the disciplines of careful pacing, budget restraint, and cost-effectiveness.

But we can build on our existing strengths and concentrate on countering the most likely threats.

For example, I believe that the United States is in the best position to make use of technologies which require high levels of training and individual initiative.

We have intelligent soldiers; we don't have to rely on robots.

We do not need the concentrated and vulnerable command posts envisioned in some articles about future warfare. We can rely instead on decentralized operations which give small units relative freedom to take advantage of local situations.

From my preliminary analysis of these issues, as a member of the research and development subcommittee, I believe that numerous, highly accurate, and relatively inexpensive weapons will in the future prevail over smaller numbers of more capable platforms.

Already we have convincing evidence from the 1973 Middle East War that cheap antitank missiles can defeat top quality tanks.

It remains to be seen whether super carriers can survive or be effective in a high threat environment.

And the promise of remotely piloted vehicles makes us wonder whether it is worth the cost and risk to keep men in the cockpit.

None of these issues is settled. For the foreseeable future there will undoubtedly have to be a mix of systems, offensive and defensive, high cost and low cost, multipurpose and dedicated.

But somewhere down this road there are twists and turns and forks, and we have to be sure that we go in the right direction.

And we have to be extremely careful of taking the easy road of reaffirming current doctrine and thinking.

There are people in the academic community and on the hill as well as in the Pentagon who are grappling with these issues, searching for common ground outside of the traditional defense debate. I hope that you will join in this endeavor and apply your most creative energies.

In fact, we are all public servants, and our highest obligation should be to our Nation and our people rather than to our own careers.

Whatever we do, we have to work together. Our constitutional system requires cooperation, and our people demand it.

In the long run, we must make these hard choices on policy and then build the public support with will enable those policies to succeed.

Not only should we put Vietnam behind us, but we should also put away the suspicions and presumed hostility which have until now prevented rational debate on defense policy and a free exchange of ideas about the future.

Our strength has always been based upon our people and our system as well as on our arms. As James Madison wrote in the 41st Federalist Paper: "America united, with a handful of troops, or without a single soldier, exhibits a more forbidding posture to foreign ambition than America disunited, with a hundred thousand veterans ready for combat."

We have an opportunity to rebuild that unity and consensus, while maintaining a strong defense. Your help is essential if we are to ultimately succeed.

THE CRISIS IN LEBANON

Mr. McGOVERN. Mr. President, I ask unanimous consent that a statement which I gave today at a hearing of my Subcommittee on the Middle East be printed in the RECORD.

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

LEBANON: THE CIVIL WAR AND ITS INTERNATIONAL IMPLICATIONS

We convene today's hearings on Lebanon at a time when the tragic significance of the Lebanese civil war has been brought home to all of us by the brutal and outrageous murder of the American Ambassador to Lebanon, the Embassy economic counselor and their Lebanese driver.

This hearing was planned long in advance of last week's tragic occurrence but our proceedings now take on heightened significance, just as the need of peace takes on heightened urgency.

I know that I speak for the entire Foreign Relations Committee—indeed for the entire Senate—in expressing deep sympathy for the families of Ambassador Francis E. Meloy, Jr., economic counselor Robert O. Waring, and their Lebanese driver Mr. Zohair Moghrabi. Their families and their countrymen can take comfort in the knowledge that they died honorably and bravely in the service of their respective countries.

Their killers by contrast—whatever infatuations they may harbor in the heat of civil strife—are in fact no more than common criminals.

The United States has every right and every reason to expect that they will be brought to justice—not as ersatz revolutionaries but as common criminals.

Even in the anarchy of Lebanon today there are factions and groups—notably the Palestine Liberation Organization — which claim to be organized, bona fide political organizations with loyal followings and the ability to lead and discipline those followings.

I address myself particularly to the Palestinians, with whose just aspirations to a homelands of their own I have long and publicly sympathized. Now is the time—and it is a crucial test—for the appropriate group or authority in Lebanon to demonstrate its commitment to civilized standards by bringing these criminals to justice.

Lebanon has become a prime casualty of the larger conflict in the Middle East. Having striven long and hard to stay out of the line of Arab-Israeli fire, Lebanon has now been shattered as the result of a chain of events tracing back unmistakably to that larger conflict.

Whatever other factors contributed to the breakdown on the fragile Lebanese system, the major one was the destabilizing presence of the Palestinian "state within a state."

I leave it to our expert witnesses to detail, if they care to, the way in which the long Arab-Israeli stalemate, the occupation of the West Bank and Gaza, and the consequent rise of an angry Palestinian nationalism have culminated in the ruin of a country which gave the Palestinians asylum.

I note only my own strong conviction that there will be no lasting solution in Lebanon until there is also a solution to the Israeli-Palestinian conflict based on self-determination for and mutual recognition by both peoples.

Just as the Arab-Israel conflict has brought tragedy to Lebanon, it remains filled with peril for all concerned—for Israel and the Arab countries, for the United States and the Soviet Union. The longer the Lebanese civil war goes on, the greater the chance of a new general Middle East war.

It takes no great prescience to foresee a situation in which Syria and Israel—quite probably against their own wishes—are drawn into the vortex, whereupon the other Arab countries would come into the conflict and the United States and the Soviet Union would be drawn to the support of opposite sides.

We would then face the strong possibility of great power confrontation and the virtual certainty of another oil embargo—with all of the dangerous and explosive consequences to which that could lead.

Seen in this perspective—as it must be seen—the Lebanese civil war poses dangers for the entire world. It is accordingly vital that in the months—not years—ahead we move to a definitive settlement of the broader Arab-Israel conflict—a settlement based upon Israeli withdrawal from the occupied territories with perhaps some practical modifications; the establishment of a Palestinian state on the West Bank and Gaza, recognizing and recognized by Israel; demilitarized zones around all of Israel's frontiers; and solid, binding international guarantees, including an explicit American guarantee of Israel.

That is for the months ahead, but as far as Lebanon is concerned there is urgent business for the weeks and even days ahead, and that is primarily the responsibility of the Arabs.

The Arab states—especially Egypt and Syria—can no longer afford—if ever indeed they could—the luxury of feuding, undercutting each other, and settling old scores at the expense of the common good and their own best interests.

The world in general will be looking to the Arab states and parties—including Egypt, Syria and the PLO—to bring the Lebanese conflict to an early end and thereupon to do their honest best to restore Lebanon to its estate as a peaceful, democratic society.

The PLO in particular can demonstrate its credentials as a competent, worthy authority for the Palestinian people by ending its role as a disruptive state within the Lebanese state, and by focusing Palestinian aspirations where they legitimately belong—on the creation of a West Bank-Gaza state.

In a report I submitted to the Senate over a year ago after a trip to the Middle East I urged—and I urge again—that "the single, most effective decision the Palestinians can make to advance their cause is to come down from the lofty realm of 'dreams' and 'visions' and engage themselves with reality. The first reality Palestinians must recognize is that the past cannot be undone and not all claims can be satisfied."

The first essential step toward a broader settlement is the restoration of peace in Lebanon, for which the primary responsibility falls to the Arab states and parties.

Americans will be watching closely. Those Americans who have tried to support the legitimate aspirations of all of the peoples of the Middle East will be watching especially closely—with hope and apprehension.

With apologies for delaying the proceedings with so lengthy a statement, I yield the floor, first to my colleague Senator Percy if he wishes to make opening remarks, then to our distinguished panel, consisting of: Ambassador Dean Brown, President of the Middle East Institute and recently special Ambassador in Beirut; Fouad Ajami, Assistant Professor of Politics at Princeton University; Mrs. Rita Hauser, an international attorney and former United States representative to the United Nations; and Dr. Joseph J. Malone, National War College in Washington, D.C.

I would suggest that we initiate the proceedings with a brief statement by each member of the panel in turn, to be followed by a general seminar discussion among the panel members and the Subcommittee. We welcome these distinguished witnesses here today and appreciate very much their taking the time from busy schedules to join in these proceedings.

FEDERAL REGULATION OF TELECOMMUNICATIONS COMMON CARRIERS

Mr. HARTKE. Mr. President, on March 23, 1976 I introduced, at the request of many Indiana constituents, S. 3192, "The Consumer Communications Reform Act of 1976". I introduced that bill to start a full, fair and open debate on the future course of Federal regulation of telecommunications common carriers. I am pleased that the introduction of the bill has had the effect I intended. A serious, thoughtful debate has started.

I have encouraged supporters and opponents of the approach embodied in S. 3192 to come forward and express their concerns for the future of telecommunications common carrier regulation. It is apparent that there is a broad range of support for the bill among rural citizens, sectors of organized labor, local and State elected officials, and the people responsible for operating the most efficient and least expensive phone system in the world. They argue competition in telecommunications services should be sharply curtailed in the future. The specialized telecommunications common carriers, the terminal equipment and interconnect manufacturers, the domestic satellite groups and other providers and users of telecommunications services have begun to organize, and to make their voices heard in support of existing and additional economic competition in telecommunications services.

This type of debate is essential as Congress moves to reassert itself and to define the appropriate national regulatory policy for telecommunications common carrier services. Time will tell which side prevails. But the introduction of S. 3192 has started a process which cannot be turned back. Too often, Congress has simply reacted to crises after they occur. Alternatives and opportunities for corrective action in other areas of the economy often have been narrowly circumscribed by accomplished fact. This time we have a good chance of getting there first—before an irreversible regulatory policy has been locked in concrete.

The questions before the Congress are not easy ones to define or resolve. But they are too important to be ignored. We must begin now to establish the mechanism to allow us to thoughtfully, thoroughly and fairly consider the issues. The Federal Government has an obligation to pursue a sensible regulatory policy in telecommunications, one that serves the public interest in all of its facets. Basic home telephone rates are part of the measure of consumer benefit from regulation. But we cannot ignore other factors such as quality and responsiveness of service, applications of new technology, the creation of new jobs, as well as the general price level and rate of inflation. Each of those are necessary elements in the question of defining the consumer's interest. Ultimately, Congress must resolve these questions in the legislative forum of public hearings and open debate. But hearings on the complex issues embodied in telecommunications common carrier regulation can be meaningful only after appropriate committee preparations have been made.

I am working with fellow Senators on the Senate Commerce Committee to take the necessary steps to prepare for meaningful hearings. I estimate that within a few months the committee will be able, first, to complete a listing of relevant issues and detail the available information that is already a matter of public record on each issue; second, to develop a planned approach for the committee to obtain needed additional data on each issue; third, to identify issues requiring further written comment prior to public hearings; and fourth, to specify issues ready for immediate public hearings soon after the convening of the new Congress next year.

If the committee successfully maintains this time schedule, it should be ready to move into initial public hearings on the future course of telecommunications common carrier regulation shortly after the beginning of the new Congress. I am personally opposed to precipitous hearings which might have the unfortunate effect of giving false signals as to Congress' eventual intent. We must be fair to all sides. Defining the public's interest in competition in telecommunications common carrier services is a decision for the Congress. To answer that question, we must prepare ourselves carefully with an open ear to all sides. Hearings should be held as soon as they can be fair and productive.

Mr. BAKER. Mr. President, in the first century of the telephone and telegraph industries, the public interest required the development of homogeneous and relatively standardized services and rates extending nationwide through the wireline facilities of the major integrated common carriers. But, as stated by the chairman of the American Telephone and Telegraph Co. recently, that job has largely been accomplished. The second century of the telephone industry is going to be devoted to seeking out and satisfying a wide diversity of service demands made possible by enormous postwar innovation in telecommunications technology. These developments which include microwaves, satellites, computer switching, packet switching, and digital transmission have created new markets for specialized services which entrepreneurs other than the established carriers are now eagerly seeking to serve.

If this Nation is to continue to enjoy the benefits of nearly universal residential telephone service and at the same time meet the demand for specialized communications services, some broad questions of socioeconomic policy must be addressed by the Congress. Specifically, it must be determined what roles regulated monopoly and market competition will play in meeting these dual objectives. If each has a role, it is then necessary to devise the means for integrating competition and regulated monopoly in these important industries so as to avail ourselves of both the economies of scale and the salutary effects of rivalry in the marketplace.

To accomplish such an integration, we must know the impact of competition on rates for residential exchange service. This relates to the question of cross-subsidies in the structure of rates. It is clear that there are subsidies inherent in the present rate structure. In the first century of the industry, rates were established to reflect the differences in demand for services rather than the difference in cost, thus, a complicated and little understood system of subsidies was created. However, what is now at issue is the magnitude of the subsidies, the identity of the benefactors—that is, the direction of the subsidies, and whether such transfers are in the public interest.

But the present cost allocation and cost accounting practices make it difficult to verify, except in the most broad and arbitrary terms, the classes and users between which subsidies flow. Users of widely different services are often de-

scribed as a single class, while most users generally appear in different classes at the same time. For example, residential subscribers range from the most affluent to the poorest, and business subscribers run the gamut from the giant corporations to the corner grocery store. A comprehensive investigation to determine the dimensions of these terms must be undertaken.

Moreover, even if in fact the public interest is served by subsidizing particular uses and classes of users, it is still necessary to determine the means by which these income transfers should be brought about. This is a question of national policy that only the Congress can answer.

The ramifications of our answers to these issues are, of course, enormous. On one hand, if we allow the established carriers with their multiservice capacity to respond in an unrestrained fashion to new entry in selective markets, they may easily draw on earnings from monopoly services to subsidize unfairly their provision of competitive services. But, on the other hand, if restraints are imposed that effectively prohibit the carriers from entering competitive markets, then existing plants and facilities may be condemned to less than fully productive uses; thus, the American people would forego the benefits of existing technical capabilities of the established carriers.

There are also alleged to be subsidies inherent in the nationwide telephone rate structure which average higher cost rural telephone service with lower cost urban service. The validity of such allegations must ultimately turn on specific identification of who these telephone users are. The rural user may be a farmer, a seasonal resort fancier or a major corporate enterprise. At the same time, the urban user may be an unemployed laborer, a middle-class American or a successful businessman. The point is that we must more carefully identify this American telephone user before we can make any assumptions regarding large scale subsidies.

In any event, the value judgments which must necessarily be made in sanctioning such cross-subsidies among large sectors of the American people requires a determination of national policy that is properly one for the Congress.

Such are the issues presented by S. 3192, the Consumer Communications Reform Act of 1976, introduced by Senator HARTKE and referred to the Committee on Commerce. I believe they are issues which the Congress must address, but if it is to approach them intelligently, in my judgment, we must undertake an indepth study of the following questions: First, what principles should govern the efficient and administratively feasible allocation of common costs so that, as nearly as possible, the proper cost of providing any given telephone service may be determined; second, utilizing the principles that should govern such allocations of common costs, what is the pattern of cross-subsidies ingrained in the present telephone rate structure; in particular, who are the system users who bear the costs and who are the system users who receive the benefits; third, what social and economic objectives are being served by the distribution of costs and benefits as they are actually effected by rate structure; are those objectives in the public interest and would they be damaged by allowing competition and selective market entry into product and service lines where the margin between rates and cost is largest; fourth, whether allowing competition in certain product and service lines fosters unnecessary duplicative facilities and investment which results in higher communications cost to the American telephone user; and fifth, to the extent that cross-subsidy is in the public interest, is perpetuation of the present telephone rate structure the best method for our society to realize them, or are there more desirable ways to accomplish them?

In performing such a study, we must be cognizant of efforts currently underway by others, including the telephone industry, the Office of Telecommunications Policy, the National Association of Regulatory Utility Commissioners, and the FCC. There is a wealth of information being developed by these bodies that should be of assistance to the Congress in arriving at its ultimate determinations of national telecommunications policy.

Therefore, on April 9, 1976, I recommended to the chairman of the Commerce Committee, WARREN G. MAGNUSON, and the ranking minority Member, JAMES B. PEARSON, that the committee either propose enabling legislation creating a national commission similar to the Water Quality Commission to supply missing analysis, or that the committee itself undertake a study which would employ an independent contractor to report to the committee.

Mr. President, I support the recommendation of the Senator from Indiana (Mr. HARTKE), that the Senate Commerce Committee: First, conduct a preliminary analysis of relevant issues and review the available information on those issues; second, determine the appropriate means to obtain additional data; third, identify those issues that might be developed through written comments; and fourth, specify issues which would properly be the subject of public hearings in the next session of Congress without further study.

In taking this action, the committee and the Senate will assure the industry and the American people that we are going to give this matter our most careful attention and that in doing so, we are going to be as prompt and efficient as compilation of the information will permit in arriving at our conclusions.

MEALS-ON-WHEELS ACT

Mr. PERCY. Mr. President, as ranking Republican member of the Senate Select Committee on Nutrition and Human Needs, I join the distinguished Senator from South Dakota, the chairman of our committee, in introducing legislation to provide meals for the homebound elderly.

My interest in improving nutrition services for the elderly dates back to 1971. At that time, 22 cities throughout the country were participating in research and demonstration projects offering to the elderly nutritious meals and nutrition education in communal settings. Despite the program's great success, it faced almost certain termination as no provision for funding had been made beyond 1971. To keep this highly successful program alive I offered an amendment to extend the appropriations at a cost of $1.7 million for another year until permanent legislation could be instituted. As a result of this effort, the administration made this available. A year later, the Congress passed legislation providing daily hot meals to the Nation's elderly. Today, it seems ironic that so much effort had to be expended then in order to assure $1.7 million to provide roughly 800 meals a week when we are now so willing to provide 400,000 meals a day at a level of approximately $200 million. Unquestionably, the Nutrition Program for the Elderly enjoys widespread support.

Although I recognize the positive role that title VII plays in providing meals to the elderly in a congregate setting, I also realize that there are many who cannot partake in the program because they are homebound. These elderly suffer from a higher degree of malnutrition than those who are mobile. Some cannot adequately afford to eat nutritious meals. Some lack the skills to select and prepare an adequate and balanced diet. Others live in rural or isolated areas and are unable to commute to the congregate facilities. It is these elderly citizens who because of additional hardships need additional help.

The legislation introduced on June 18 is a step in that direction. As a supplement to the already existing elderly nutrition program, this legislation would provide additional funds specifically for home-delivered meals. Good nutrition will play a positive role in the prevention of disease and disability. Compared to the amount of Federal funds needed to provide institutional care for the elderly this expenditure is miniscule.

I am pleased to be a cosponsor of this legislation for it is another step in providing an adequate diet to every American.

NRC'S HISTORIC OPINION AND DISSENT ON NUCLEAR EXPORT POLICY

Mr. RIBICOFF. Mr. President, the Nuclear Regulatory Commission made history of a sort today by issuing the first written opinion and dissent on a nuclear-export license application since the atoms for peace program began in the mid-1950's.

The issue at hand was the proposed export of the major components of a nuclear powerplant to Spain, a nation that has refused to ratify the Nuclear Non-Proliferation Treaty. The Commission voted 3 to 1 to proceed with the export over the objections raised by the lone dissenter, Commissioner Victor Gilinsky. The key issue raised by Commissioner Gilinsky was the adequacy of the safeguards of the International Atomic Energy Agency to detect surrep-

titious removal of plutonium after the plutonium is separated from the spent fuel of a power reactor. In this form, the plutonium is readily suitable for fashioning into a weapon or other nuclear explosive device.

The existence of a dissenting voice on the Nuclear Regulatory Commission indicates an important departure in the licensing of nuclear exports. The spread of the capability to develop nuclear weapons has become a matter of growing public and congressional concern, following India's nuclear explosion of 1974 and the recent decisions by France and West Germany to export nuclear fuel facilities to developing nations which, like India, have refused to ratify the NPT.

Rather than attempt to analyze the majority and dissenting opinions of the NRC in this particular export licensing proceeding, I prefer simply to offer the texts of the two opinions for inclusion in the RECORD. These opinions, I believe, speak for themselves, and represent one of the most articulate dialogues to date on the complex and worrisome problem of nuclear proliferation. The arguments are cogent and well stated. They isolate the most vulnerable point in the nuclear fuel cycle—namely, the reprocessing of plutonium from the spent fuel of a nuclear powerplant. Ultimately, the American people, and all concerned citizens of this planet, will have to decide whether the safeguards system of the IAEA—or any safeguards system—can adequately protect against the potential for atomic-bomb production that exists within the core of every nuclear powerplant. The ultimate question, therefore, is whether plutonium is too dangerous to permit the reprocessing of it on a commercial basis.

Mr. President, I ask unanimous consent that the majority and dissenting opinions of the NRC be printed in the RECORD.

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

[U.S. Nuclear Regulatory Commission, Washington, D.C., License No. XR-99 (Docket No. 50-474)]

DECISION: OPINION OF CHAIRMAN ROWDEN AND COMMISSIONERS MASON AND KENNEDY

(In the Matter of the Application of Westinghouse Electric Corporation for the Export of Pressurized Water Reactor to Asociacion Nuclear ASCO II, Barcelona, Spain)

BACKGROUND

On January 25, 1974, the Westinghouse Electric Corporation filed an application requesting a license to authorize export to Spain of major components of an nuclear steam supply system to form part of 2696 MWT, 930 MWE gross, pressurized water reactor.[1]

The reactor is to be exported to Asociacion Nuclear ASCO II, Puerta de Santa Madrona 12, Barcelona, Spain, for construction of its ASCO nuclear power unit II, located on the same site as ASCO I, on the Ebro River, about 60 kilometers west of Barcelona. Since 1965, the United States has licensed the export of eight power reactors to Spain, pursuant to a cooperation program for the civil uses of Atomic Energy.[2]

In accordance with the Commission's regulations (10 CFR § 2.787.A), *a Federal Register* notice of the consideration of issuance of the facility export license was published on April 15, 1974 (Vol. 39, no. 73, page 13575). The Commission received no request for a hearing or petition to intervene in this matter.[3]

The application was referred to the Department of State on May 29, 1975, to obtain the views of the Executive Branch with regard to issuance of the export license, in accordance with the procedures now set out in Executive Order 11902. The State Department replied on August 21, 1975, providing their analysis of the license application and their conclusion that the proposed export would take place pursuant to the Agreement for Cooperation Between the U.S. and Spain, signed at Washington, D.C., March 20, 1974 (T.I.A.S. 7841), and that it would not be inimical to the common defense and security of the United States. We also note the existence of a trilateral Agreement Between the International Atomic Energy Agency, the Government of Spain and the Government of the United States for the Application of Safeguards, signed at Vienna on December 9, 1966 (T.I.A.S. 6182) and an Agreement amending the 1966 trilateral Agreement signed at Vienna on June 28, 1974 (T.I.A.S. 7856).

On September 23, 1975, in accordance with the Commission's internal procedures for consideration of facility export licenses, the NRC staff forwarded the docket of this case to the Commission with its recommendation that the license application be approved.

In addition to the license application, the *Federal Register* notice and the State Department analysis, the docket includes materials related to a lawsuit filed against the Atomic Energy Commission and other federal government agencies on October 4, 1973. This legal action, entitled *Sierra Club, et al* v. *United States Atomic Energy Commission* (U.S.D.C., D.C., Civil Action No. 1867-73), involved application of the National Environmental Policy Act of 1969, 83 Stat. 852, 42 U.S.C. §§ 4321 *et seq.* (NEPA), to the United States nuclear export process. The materials include: a letter dated December 24, 1974, from the Office of General Counsel, United States Atomic Energy Commission, informing Messrs. Eldon V. C. Greenberg and Robert Hallman of the Center for Law and Social Policy, counsels for the plaintiffs in the *Sierra Club* case, that no additional export licenses for nuclear power generation systems would be issued in the period during which the interim environmental impact statement on the nuclear power export program was being prepared; [4] and a Stipulation filed by the parties to the above suit in the U.S. District Court for the District of Columbia on December 9, 1974, agreeing that the Energy Research and Development Administration would issue the final interim Environmental Impact Statement on or before September 26, 1975.

The docket also contains a letter from the Spanish Embassy in Washington, dated June 10, 1975, stating that the export will be subject to the conditions of the Agreement for Cooperation between the United States and Spain.

The NRC staff's analysis regarding the proposed export indicated that the reactor components in the application for the proposed license would be subject to the Agreement for Cooperation with Spain and that the proposed export would not be inimical to the common defense and security of the United States.

As a result of additional questions we posed to the Executive Branch in December of last year, additional documentation was added to the record of the Commission's review of the proposed ASCO II export. Thus, the public files of this proceeding include a letter of December 12, 1975, from Acting Assistant Secretary Myron B. Kratzer of the State Department to Mr. Benjamin Huberman of the Commission staff describing past Spanish reprocessing of U.S.-supplied fuel in the United Kingdom (certain statements in this letter were subsequently revised in a letter dated March 3, 1976, from Mr. Dixon Hoyle of the State Department to Mr. Wayne Kerr of the NRC staff); a letter from Mr. Kratzer to Mr. Huberman of December 18, 1975, discussing U.S. policy regarding adherence to the NPT by countries receiving U.S. nucelar exports; Mr. Hoyle's letter of March 3, 1976, transmitting additional information requested by the NRC with regard to the Agreement for Cooperation with Spain and U.S. Rights to control the separation of plutonium from U.S.-supplied fuel; and a letter of April 22, 1976, from Mr. Hoyle to Mr. Huberman responding to a question on the extent to which the Spanish ASCO II reactor will be fueled with U.S.-supplied, low-enriched uranium over the anticipated life of the reactor. The information contained in this correspondence will be discussed in connection with our treatment of the statutory prohibition against the export of nuclear facilities which would be inimical to the common defense and security of the United States. *See*, pp. 11-33, *infra*.[5]

In addition to the foregoing written record, the Commission has received classified briefings and classified written submittals from the Department of State and has had numerous discussions with its staff and among the Commissioners.

COMMISSION DETERMINATION

The applicable provisions of federal statutory law which govern our consideration of this export license application are as follows:

Atomic Energy Act of 1954, Public Law 82-73, 68 Stat. 919:

Section 101, 42 U.S.C. 2131 which prohibits the export of utilization or production facilities, except under and in accordance with a license issued by the Commission pursuant to applicable sections of the Act;

Section 11(g), 42 U.S.C. 2014(g), which defines "common defense and security" to mean the common defense and security of the United States;

Section 11(cc), 42 U.S.C. 2014(cc), which defines a "utilization facility";

Section 103, 42 U.S.C. 2133, which authorizes the Commission to issue licenses for production and utilization facilities, and requires that any license for the export of production or utilization facilities must be under the terms of an agreement for cooperation; and

Section 123, 42 U.S.C. 2153, which delineates how agreements for cooperation are to be entered into and applied including the requirement that such agreements include guaranties by the cooperating party that security safeguards and standards will be maintained and that material provided by the U.S. will not be transferred beyond the cooperating party's jurisdiction without United States' agreement or used for any military purpose.

Energy Reorganization Act of 1974, Public Law 93-438, 88 Stat. 1233:

Section 201(f), 42 U.S.C. 5841(f), which transferred to the Nuclear Regulatory Commission ". . . all the licensing and related regulatory functions of the Atomic Energy Commission. . . ."

The section of the Atomic Energy Act which specifies the criteria we must apply in the licensing of a utilization facility, such as the Westinghouse reactor in the present matter, is Section 103(d) which states:

"No license under this section may be given to any person for activities which are not under or within the jurisdiction of the United States, except for the export of production or utilization facilities under terms of an agreement for cooperation arranged pursuant to section 123, or except under the provisions of section 109. No license may be issued to an alien or any corporation or other

Footnotes at end of article.

entity if the Commission knows or has reason to believe it is owned, controlled or dominated by an alien, a foreign corporation, or a foreign government. In any event, no license may be issued to any person within the United States if, in the opinion of the Commission, the issuance of a license to such person would be inimical to the common defense and security or to the health and safety of the public."

Thus, under the statute there are four separate factors which the Commission must consider in the instant matter: (1) whether an agreement for cooperation would apply; (2) whether the applicant is a foreign or alien corporation; (3) whether the export would be inimical to the common defense and security of the United States; and (4) whether the export would be inimical to the health and safety of the American public. We will treat these factors, *ad seriatim*.

(1) *Agreement for cooperation*

The record reflects that the proposed export would be undertaken under the terms and conditions of the Agreement for Cooperation between the Governments of Spain and the United States for the civil uses of nuclear energy. Initially, the plain language of the Agreement makes this result clear. Under the terms of Section 123 of the Atomic Energy Act, the Agreement was approved by the President after his making of a determination in writing that "the proposed agreement will promote and will not constitute an unreasonable risk to the common defense and security."

The Agreement also received Congressional review through the procedure of submitting the instrument to the Joint Committee on Atomic Energy for the 30-day statutory period then applicable to such civil uses Agreements. *See*, Section 123(c) of the Atomic Energy Act of 1954. Under Article XV of the Agreement, it entered into force for the parties on June 28, 1974, and remains in force for a period of forty years.

Article I(6) defines "equipment and devices" to mean "any instrument, apparatus, or facility, and include[s] any facility, except an atomic weapon, capable of making use of or producing special nuclear material, and component parts thereof." Article III (1) reflects that information may be exchanged on "[d]evelopment, design, construction, operation, and use of . . . power reactors. . . ." The Agreement's definition section provides, in Article I(8) that a reactor "means an apparatus, other than an atomic weapon, in which a self-supporting fission chain reaction is maintained by utilizing uranium [etc.]." As described in license application No. XR-99, the ASCO II reactor would fall within the scope of these definitions. Article VI(A) is also applicable here. It states:

"With respect to the application of atomic energy to peaceful uses, it is understood that arrangements may be made between either Party or authorized persons under its jurisdiction . . . for the transfer of equipment and devices and materials other than special nuclear material and for the performance of services with respect thereto."

The proposed ASCO II export by Westinghouse Electric Corporation, a corporate person under the jurisdiction of the United States, would be covered by this provision.

Furthermore, a letter from Sr. Jose M. Sierra, Counselor for Economic Affairs of the Embassy of Spain in Washington dated June 10, 1975, makes clear the Spanish Government's understanding that the ASCO II reactor falls within the ambit of the Agreement. The analyses of the Department of State and the NRC staff also reflect this fact. Therefore, the initial factor required by Section 103(d) of the Atomic Energy Act is established in the instant matter.

(2) *Corporate status*

The license application in the present case reflects the fact that the licensee for the export of ASCO II facility would be the Westinghouse Electric Corporation, whose address is listed as 5-400 Penn Center, P.O. Box 1918, Pittsburgh, Pennsylvania. The Commission takes notice of the fact, through numerous other proceedings, that the Westinghouse Electric Corporation is a company chartered in the United States, with corporate headquarters in this country, and doing business in the United States. The Commission is aware of no information which would lead it to believe that Westinghouse is owned, controlled, or dominated by an alien, a foreign corporation or a foreign government.

(3) *Common defense and security*

Under Section 103 of the Atomic Energy Act, no export license for a production or utilization facility may be granted if this Commission is of the opinion that such an export would be "inimical to the common defense and security." Under Section 11(g) of that Act, the term "common defense and security" means the "common defense and security of the United States." In the judgment of the Department of State (reflecting its own view, and that of other concerned Executive Branch agencies) and the NRC staff, the export of the ASCO II facility to Spain would not be inimical to this nation's security interests. Our own analysis leads us to agree with that assessment; and we affirmatively find that the export would not be inimical to the common defense and security of this nation.

Because this export license decision constitutes the first published discussion of how we apply the "common defense and security" criterion, it may be useful to discuss in some depth the factors we have considered in arriving at our determination of non-inimicality in this matter. We would wish to make it clear that our discussion does not preclude the future adoption of different or additional criteria. In this regard we would mention that, since January of this year, the NRC staff has been engaged in a comprehensive study of our export licensing process. One of the specific purposes of that study is to determine whether changes in the criteria we employ in making our export determinations may be warranted.

The Commission regularly poses a series of eight basic questions to the Executive Branch (through the Department of State) when reviewing an export license application. *See, Export Licensing Procedures*, Nuclear Regulatory Commission, January 1976. Under Executive Order 11902, 41 *Fed. Reg.* 4877 (February 2, 1976), the procedures for receiving Executive Branch views have been formalized, with the State Department designated to collect, synthesize and forward those views to the Commission. Although these eight questions, in and of themselves, do not constitute exclusive, formal decision criteria, they do provide guidance on what matters we believe are most important in reaching our common defense and security determination. One of the questions posed (number 2) bears upon the separate question of whether the export would be governed by an Agreement for Cooperation. Also, as will be discussed later, questions four (on accounting and inspection procedures to be employed where IAEA safeguards are not applied) and five (on physical security arrangements for exports of strategic nuclear materials) are not immediately relevant to the ASCO II matter. The other questions bear directly on security issues, and we shall review them in the order they are posed to the Executive Branch.

The first question asks for information concerning the purpose of the export. In this case, the ASCO II facility will provide electric power for four Spanish utilities serving the immediate area of Barcelona. This type of civilian use of nuclear power is not inimical to the common defense and security of the United States, and is consistent with formal undertakings by the Government of the United States in *Treaty on the Non-Proliferation of Nuclear Weapons* (NPT) done at Washington, London and Moscow on July 1, 1968, 21 U.S.T. 483, T.I.A.S. 6839. The United States is committed to peaceful nuclear cooperation by its membership in the International Atomic Energy Agency. Article II of the Statute of that organization announces the objectives of seeking "to accelerate and enlarge the contribution of atomic energy to peace, health and prosperity throughout the world." Although, as an independent regulatory body, this Commission must eschew developmental and promotional concerns in the field of nuclear energy, it is obliged to take notice of the fact that this nation has committed itself to assisting other nations in the peaceful uses of nuclear energy through multilateral commitments (such as the Statute of the IAEA), as well as bilateral arrangements with some thirty nations. *See, United States Agreements for Cooperation in Atomic Energy*, Congressional Research Service, prepared for the Senate Government Operations Committee, 94th Cong., 2nd. Sess. (January 1976), pp. 55-56. *See also*, Atomic Energy Act of 1954, Section 3. Therefore, civilian activities such as construction of reactors using low-enriched fuel to provide electrical power, do not, in themselves, raise questions of inimitability with the common defense and security of the United States. Inimitability must arise, if at all, from other circumstances surrounding such activities.

As stated earlier, question 2 deals with the Agreement for Cooperation, which is the underlying international understanding upon which this export is based.

Question 3 concerns whether a recipient country has accepted and implemented safeguards under the International Atomic Energy Agency, or bilaterally with the United States. Here, the record reflects the existence of a trilateral safeguards agreement between the United States, Spain and the IAEA, under which the IAEA administers safeguards provisions which otherwise would be administered by the United States. As the Department of State analysis indicates, however, the presence of the trilateral agreement does not affect the provision in the U.S./Spain Agreement which guarantees that material generated in U.S.-supplied equipment, whatever its source, will be subject only to peaceful use; or the provision that any retransfer of U.S.-supplied equipment or devices may be made only with U.S. approval; or the provision reserving to the U.S. a right of prior safeguards approval for any future reprocessing of U.S.-supplied fuel. (*See*, Section 1(E) of the 1974 Agreement amending the 1966 IAEA/U.S./Spain trilateral Agreement.) As Article XII of the Agreement for Cooperation provides, moreover, U.S. bilateral safeguards are suspended only during the period that the United States Government agrees that other safeguards being applied are adequate.

The applicability of bilateral or IAEA safeguards to a nuclear export assures that the peaceful use assurances of the Spanish Government can be technically verified, and is therefore of crucial importance in reaching a decision on whether issuance of a license might contravene the common defense and security. The applicability of such safeguards in the instant matter and the means for their continuing improvement are factors giving substantiial support to our decision.

Article XI of the bilateral requires, among other things, that safeguards apply to any fuel which may be used in a U.S.-supplied

reactor and to any plutonium produced through the use of a U.S.-supplied reactor. Safeguards pursuant to this requirement of Article XI would be applied in Spain by the International Atomic Energy Agency (IAEA), regardless of the origin of the fuel, in the manner provided for by the trilateral safeguards agreement among the United States, Spain and the IAEA. In addition to requiring safeguards within Spain on any fuel used in or plutonium produced through the use of a U.S.-supplied reactor, Section 14 of the trilateral agreement requires that both countries jointly notify the IAEA, among other things, of the transfer of special nuclear material used in or produced through the use of a U.S.-supplied reactor.

That section further provides that such materials may be transferred only if "(a) [a]rrangements have been made by the Agency to safeguard such materials, equipment or facilities; or (b) [t]he materials, equipment or facilities will be subject to safeguards other than those of the Agency, but generally consistent with such safeguards and accepted by the Agency." Thus, the use of non-U.S. fuel as well as U.S.-supplied fuel in U.S.-supplied reactors will be accompanied by the application of international safeguards to that fuel and to any special nuclear material produced from the irradiation of that fuel.

The fourth question ordinarily posed asks about the adequacy of accounting and inspection procedures in circumstances where IAEA safeguards are not applied. This question is not relevant to this license application because IAEA safeguards are applicable.

The fifth question asks what physical security arrangements are to be applied when significant quantities of strategic nuclear material (plutonium or highly enriched uranium) are exported. Since the present license does not concern the transfer of such material, an evaluation of physical security arrangements at ASCO II is not relevant in this context.

The sixth question refers to the position of the recipient country with regard to the non-proliferation of nuclear weapons. This factor is also important to our evaluation of common defense and security matters. One of the indicia of a nation's intent to refrain from embarking on a nuclear weapons program is adherence to the *Treaty on the Non-Proliferation of Nuclear Weapons*. Spain is not a signatory to that instrument. However, no provision of the NPT obliges the United Sttaes to confine its nuclear exports to NPT adherents.[6] It has been the consistent policy of the United States Government, which this Commission actively supports, to promote adherence to the NPT, and the Government of Spain is fully aware of our interest in this regard. Indeed, we note that some of the concerns about granting the present export license application expressed in Commissioner Gilinsky's dissenting statement would have been reduced by Spanish adherence to the NPT. There are, however, other ways in which a nation can indicate its "peaceful use" intentions.

In the present case, Article X of the U.S./Spain Agreement for Cooperation evidences that the Spanish Government has forsworn development of atomic weapons with respect to U.S.-supplied technology and material, and non-U.S. supplied material irradiated in the ASCO II reactor. Also of significance is the statement in the State Department's formal analysis of question 6 that "there is no indication that its (Spain's) failure to adhere (to the NPT) is based on any desire to develop a nuclear weapons capability."

Question 7 asks about understandings between a recipient country and the United States "with respect to the use of U.S.-supplied material or equipment to acquire or develop nuclear explosive devices for any purpose, and as to the recipient country's policies and actions as to such development using equipment and material from any source." Because of certain provisions of the Agreement for Cooperation between Spain and the United States, we have given particular scrutiny to the issue raised by this question. Article VIII(C) of the Agreement provides:

"When any special nuclear material received from the United States of America pursuant to this Agreement or the superseded Agreement requires reprocessing, or any irradiated fuel elements containing fuel material received from the United States of America pursuant to this Agreement or the superseded Agreement are to be removed from a reactor and are to be altered in form or content, such reprocessing or alteration shall be performed in facilities acceptable to both parties upon a joint determination that the provisions of Article XI [on safeguards] may be effectively applied."

By its terms, this language from the Agreement covers only U.S.-supplied fuel. Therefore, the question arises whether the ASCO II reactor might be operated on non-U.S. fuel, which—when irradiated—would create the potential for a stockpile of material which could be reprocessed into weapons material without adequate safeguards guarantees under either the United States bilateral Agreement or the trilateral Agreement with the IAEA. In his dissent, Commissioner Gilinsky takes the position that "[t]he uncertainties surrounding the origin of the fuel to be used in the reactor and, consequently, the adequacy of the safeguards which will be applied to the reprocessing of such fuel, when considered against the background of Spain's failure to join the NPT—or, lacking that, to bring all its nuclear activities under international safeguards—preclude the required finding that the proposed export would not be inimical to the common defense and security." He therefore concludes that "the ASCO II license should not be approved in its present form." We cannot agree.

In our judgment, the total safeguards framework, including the mechanisms for continuing improvement, provide an adequate basis for our determination.

The peaceful use guarantee which Spain has given for all nuclear materials which may be irradiated in U.S.-supplied facilities, such as ASCO II, includes fuel obtained from non-U.S. sources. The applicable provision of the U.S./Spain bilateral agreement here is Article X(2) which permits "(n)o material, including equipment and devices, transferred to the Government of Spain . . . and no special nuclear material produced through the use of such material, equipment and devices, . . . [to] be used for atomic weapons, or for research or development of atomic weapons, or for any other military purpose."

Also, in its response to question 7, the Executive Branch states that "[t]he Government of Spain clearly understands that its undertakings under both the bilateral and trilateral agreements with regard to peaceful uses only precludes the use of U.S.-supplied materials, equipment or devices or devices or special nuclear material generated therefrom in the development of nuclear explosive devices, including so-called 'peaceful nuclear explosives.'" Also relevant in this regard is the "civil purpose" assurance in Article XI(A) of the bilateral agreement; and the undertaking in Section 2 of the trilateral that "Spain . . . will not use in such a way as to further any military purpose any material, equipment or facility while it is listed in the Inventory for Spain."[7]

In light of the above discussion regarding the peaceful use assurances given by the Government of Spain and considering that international safeguards will apply to the use and reprocessing of all fuel used in the ASCO II reactor, we do not perceive that any substantive basis exists for believing that non-U.S.-supplied fuel would be used in the ASCO II reactor and then reprocessed under conditions that would permit its use for weapons purposes, thereby threatening United States security interests. The Executive Branch statement as to the understanding of the Spanish Government is supported by the evidence. Problems with reprocessing of non-U.S.-supplied material would not arise unless Spain were deliberately to determine to breach its undertaking, with all the consequences which would flow from that act. Additional confidence that Spain will continue to abide by this understanding is, of course, provided by the safeguards rights under the bilateral and trilateral agreements. Any fuel used in the ASCO II reactor, from whatever derivation, is automatically subject to IAEA safeguards.

Also, the presence of a fixed-commitment fuel supply contract between the Spanish Government Agency ENUSA and the U.S. Energy Research and Development Administration[8] makes it likely that much of the fuel used in the ASCO II reactor will be supplied by the United States and, as such, subject to U.S. safeguards rights under the Agreement for Cooperation, should reprocessing be proposed.

Any nation, like Spain, which has placed substantial reliance on nuclear technology transferred from the United States and other nations to supply its most basic energy needs, has strong practical reasons for abiding by its understandings with nations which continue to supply these basic needs, particularly in an area of policy having such fundamental importance to those nations as nuclear non-proliferation. The major role of energy imports in the Spanish economy is alluded to in the following language from the Executive Branch analysis under question 8 relating to special factors bearing on the issuance of the license:

"Spain is heavily dependent on energy imports and, as an industrialized nation, has adopted the policy that further expansions in its electrical generating capability will be almost exclusive through the use of nuclear power."

Commissioner Gilinsky, in his dissenting opinion in this matter, advocates different means of achieving the non-proliferation goals shared by all the Commissioners. He states the desirability of the U.S. having reprocessing review and approval rights covering not only U.S.-supplied fuel but also non-U.S.-supplied fuel and acknowledges that the latter right is not accorded by the U.S./Spain Agreement—in contrast to certain other proposed Agreements now in the negotiation process. To achieve the same result as respects Spain, despite the provisions of the Agreement with the United States, it is suggested that the Commission withhold approval of this license until the United States Government has obtained assurances from the Government of Spain that only U.S.-supplied fuel will be used in the ASCO II facilities.

While it is desirable, from the standpoint of U.S. non-proliferation interests, to exercise the most stringent safeguards controls possible over fuel reprocessing, we find the considerable safeguards framework of the existing agreement an adequate basis for the subject export.

With respect to U.S. fuel provided to Spain, U.S. rights would apply regardless of whether the fuel were used in ASCO II, in some other U.S.-supplied reactor, or in a reactor not of U.S. origin. The use of non-U.S. fuel in ASCO II, on the other hand, would take place in the context of an international safeguards regime. Spanish obligations under Article XI of the Agreement for Cooperation would assure that the use of non-U.S. fuel in ASCO II would trigger the application of

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continuing IAEA safeguards to that fuel, and to any plutonium produced from the irradiation of that fuel in the reactor. Finally, before such fuel was reprocessed, an IAEA determination would have to be made that the reprocessing facility and the subsequent storage or use of the recovered plutonium would take place under conditions permitting adequate safeguards against diversion. The right of the United States (or, in the case of non-U.S. fuel, of the IAEA) to determine that adequate safeguards can be applied to plutonium reprocessing *before* it occurs provides a mechanism to protect U.S. national security interests in this area.

At this juncture, it is impossible to specify the details of such a safeguards determination, whether made by the U.S. or by the IAEA, and it is premature to judge in advance—as our colleague attempts to do—that the IAEA safeguards framework will be inadequate to make a sound determination. The safeguards determinations contemplated in the U.S./Spanish Agreement for Cooperation and the U.S./IAEA/Spain trilateral safeguards Agreement and the IAEA Statute are not abstract policy determinations. They are concrete assessments based on a specific reprocessing technology as employed at a specific facility. Such assessments would involve a detailed analysis of material flow and of diversion possibilities in the specific facility, based on the details of technology, records keeping, physical security and management practices in the reprocessing plant and in the facilities where extracted plutonium would be stored or used. On the basis of such an analysis, the party making the determination would evaluate the inspection manpower requirments, and inspection frequency (continuous, if necessary) the records audit, and other measures, perhaps of a different character, required to provide adequate safeguards against diversion.

The U.S. or the IAEA, as the case may be, would retain the authority to disapprove reprocessing of fuel from ASCO II until acceptable safeguards measures were devised and to condition reprocessing on acceptance of such measures. We specifically note, in this regard, the IAEA's obligation to approve reprocessing only when measures are adequate to assure that "it will not further any military purpose." IAEA Statute Article II.

These rights would apply generally to both the U.S. and the IAEA, although the authorizing language in the IAEA Statute is somewhat different from that contained in the bilateral Agreement between the United States and Spain. In the case of Spain, no such determination lies before the U.S. Government or the IAEA at this time.

The United States has adopted a policy of seeking the application of stringent safeguards measures for the reprocessing and storage of plutonium. This policy recognizes that the presence of reprocessing and storage of plutonium raises special problems of timely detection and uninterrupted monitoring which stringent safeguards measures must address. In the IAEA context, INFCIRC 66/Rev. 2 establishes a framework for applying IAEA safeguards consistent with U.S. policy in this area. At such time as the IAEA may be called upon to make a safeguards determination in Spain, the means exist for making that decision responsibly and in harmony with U.S. policy objectives. Thus, there is no inconsistency between those provisions of the Agreement for Cooperation which acknowledge IAEA's role in safeguarding the reprocessing of U.S. fuel and the U.S. policy of taking special precautions in applying such safeguards.

We note in this regard, as our dissenting colleague recognizes, that serious and intensive study of these problems and of appropriate measures to deal with them is underway both by the United States Government and within the IAEA. These include technical improvements in monitoring techniques, as well as measures that go beyond traditional auditing and inspection procedures, such as multinational fuel reprocessing centers. The majority is keenly aware that the need to improve the nuclear safeguards will continue, on both the international and domestic level. We are also keenly aware that the IAEA is a principal mechanism for pursuing U.S. goals with respect to international safeguards and non-proliferation. The U.S., as an active member of IAEA, is in a position to participate fully in the Agency's activities, such as its current work on the prospects of safeguarding reprocessing facilities in a multi-national context. The NRC, working with other U.S. Government agencies, can and fully intends to make its influence felt within the IAEA framework in support of safeguards adequacy and the continuing control evaluations necessary to assure this.

Contrary to our colleague's view (*See, Dissent* at p. 25), the broad membership of nation-states in the IAEA enhances the value of that organization as a vehicle for advancing U.S. safeguards objectives by offering a forum for their international acceptability and application without which safeguards measures cannot be effective. The United States Government's experience with IAEA safeguards is long and favorable. Considering this experience and the IAEA's serious, intensive and continuing study of the special problems of safeguarding reprocessing facilities, we see no basis for concluding that IAEA will do an inadequate job of making its required safeguards determination, should the occasion for such a determination arise, or that the Agency would inadequately apply or enforce the safeguards developed in connection with that determination. The mere fact that such an IAEA safeguards determination might not be identical to a U.S. determination does not give cause to believe that any difference would pose an unacceptable risk to our national security sufficient to justify denial of the ASCO II license. Thus, the mechanisms of improving IAEA safeguards, coupled with the Agency's responsibility to approve reprocessing only when measures are adequate to assure that "it will not further any military purpose," provide a framework to assure that any reprocessing of non-U.S. fuel from the ASCO II reactor will take place under conditions consistent with the common defense and security of the United States.

Moreover, we cannot ignore the fact that other supplier nations, whose policies on nuclear exports embrace "special conditions governing the use of retransfer of sensitive material, equipment or technology,"[9] have demonstrated an interest in assuring that fuel they supply will not contribute to the development of nuclear explosives in recipient countries.

We believe that our colleague's concern that IAEA safeguards associated with reprocessing will be insufficient to provide an early warning that plutonium may be diverted to military purposes does not take into account important practical considerations as regards Spain. First, construction of a production-scale reprocessing plant in Spain would require a lead time of up to nine years and quite possibly technical assistance from abroad. Plainly there will be a clear and early signal to the international community of the need for effective safeguards. If Spain sought to acquire plutonium from a foreign source, rather than through a domestic reprocessing capability, the supplying country is required to notify the IAEA of any proposed shipment, in accordance with the Agency's safeguards procedures. We also note the possible hearing of Article XII(A)(5) of the IAEA Statute, which states that "with respect to any Agency project, or other arrangement where the Agency is requested by the parties concerned to apply safeguards, the Agency shall have the following rights and responsibilities . . . (5) [among others] . . . to require deposit with the Agency of any excess of any special fissionable materials recovered or produced as a by-product [of chemical processing] over what is needed for the above-stated [peaceful] uses in order to prevent stockpiling of these materials, . . ."

We would further observe that, in the present instance, the course proposed by our colleague would not be effective in achieving the controls he feels are necessary. As stated previously, the United States has already licensed eight power reactors for export to Spain, all of which may be fueled by non-U.S.-supplied uranium. Indeed, Spain has taken steps to enable it to acquire reactor fuel from other supplier nations, which, if not utilized for ASCO II, would be available for *any* of the facilities for which previous export licenses have been issued. Moreover, Spain, all of which may be fueled with non-plier countries, and will be able to do so in the future. Thus, even if we could assure that the transfer of ASCO II would be tied to the use of U.S.-supplied fuel, the end result would be without real effect as respects Spain.

In this context we would note that none of the existing agreements for cooperation between the U.S. and recipient countries contain provisions giving the U.S. safeguards rights over reprocessing of nuclear fuel of non-U.S. origin. Nor, with the sole exception of the agreement with India, do they require the recipient country to use only U.S. fuel in U.S. supplied reactors.

Thus, we believe that the course proposed by our colleague—while evidencing a concern we all share over the risks associated with reprocessing—would not adequately address the practical realities we now face. While unilateral Commission action here may seem appealing, in the end it would be misleading to imply or assert that it would be an effective means for advancing U.S. non-proliferation goals. Given the many agreements for cooperation already in effect, given the nuclear exports which have already taken place, and given the existence of other nuclear suppliers within the international community, the majority believes that our objective of imposing stringent controls over reprocessing and storage of plutonium in non-nuclear-weapons states can be pursued most effectively in the IAEA and in cooperation with other countries.

Moreover, while pursuing our objectives in broader forums, we must recognize that our nuclear relationship with Spain and other countries is based on mutual understandings: the safeguards obligations of the Agreement for Cooperation are associated with our agreement to make available nuclear technology and materials for peaceful purposes. If our supply position should be eroded through unwarranted unilateral demands, delays and uncertainties, United States influence over the safeguards obligations assumed by recipient countries will undoubtedly diminish.

The Commission majority believes that consideration must be given continuously to the need for improved safeguards restraints, with a view to whether further measures would contribute to the achievement of this country's non-proliferation objectives. In point of fact, a number of further nonproliferation initiatives, including ones relating to the areas of reprocessing and related safeguards considerations, are currently under active consideration in the interagency context—in several instances at our behest. The Commission, moreover, is regularly consulted by the Executive Branch in the formulation of national policies with regard to nuclear exports. The majority believes that

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such a setting is the appropriate one for addressing broad questions of future U.S. policy in this area.

In sum, in the view of the majority of the Commission, the export of the ASCO II facility to Spain would not be inimical to the common defense and security of the United States.

(4) *Health and safety*

The Commission sees no circumstances in which the operation of the ASCO II reactor would affect the health and safety of the U.S. population. The Nuclear Regulatory Commission and its predecessor agency, the Atomic Energy Commission, have continuously taken the view that the health and safety impact in foreign nations of exported nuclear facilities and material is outside the jurisdiction of the Commission. This view is reflected in the *Federal Register* notice which is issued at the time an application for the export of a utilization facility is reviewed. In the present matter, such a notice was published on April 15, 1974, at 39 *Fed. Reg.* 13575, which included the following statement:

"In its review of applications solely to authorize the export of production or utilization facilities, the Atomic Energy Commission does not evaluate the health and safety characteristics of the facility to be exported."

The legal and practical reasons why foreign health and safety impacts are not considered in our licensing of exports are more fully set out in this Commission's recent opinion *In the Matter of the Application of Edlow International Company as Agent for the Government of India, to Export Special Nuclear Material,* License Nos. XSNM-805 and XSNM-845 (Docket Nos. 70-2071 and 70-2131), May 7, 1976, pp. 41-44.

CONCLUDING REMARKS

In summary, the export of the ASCO II reactor to Spain is in full accord with the Agreement for Cooperation between that country and the United States; that Agreement, which entered into force only two years ago after approval by the President and review by Congress, provides safeguards guarantees to insure that the reactor, any fuel used in it and any nuclear material reprocessed therefrom will not be diverted to military uses; and the total safeguards framework thereby provided, including the mechanisms for continuing improvement, will insure that the export will be in full conformity with U.S. national security interests.

In rendering this decision, we believe it in order to add a number of more general observations as to the bases for and objectives of our export licensing process.

The Energy Reorganization Act vested this Commission with significant authority regarding U.S. exports of nuclear facilities and materials for civil uses. We take with utmost seriousness the mandate we have for final decision in these matters. This agency has made and can continue to make a constructive contribution to assuring adequate safeguarding of the civil uses of nuclear energy resulting from American nuclear exports. We have not only a regulatory mandate as regards safeguards, but also a steadily growing organizational competence which can and should be a national resource in helping to further this country's non-proliferation goals.

With our authority goes the requirement that our export licensing decisions be responsibly made. We are mindful, to be specific, that these decisions are but one aspect of this country's nuclear foreign policy—indeed, of its overall foreign policy. We have not hesitated to communicate our views on national policy in the area of non-proliferation to the Executive, as well as to the Congress, which have received them willingly and given them the most careful consideration. We are fully prepared, moreover, to condition or deny export licenses where the circumstances warrant, though we find no such circumstances here. As recent events have shown, the achievement of important non-proliferation objectives—including broader adherence to the NPT—may successfully, and in our judgment, more appropriately, be resolved through the exercise of constructive diplomacy. The necessarily limited means and focus of the export licensing process are sharply illuminated by the present licensing proceeding. An *ad hoc* change in the conditions under which the ASCO II reactor is supplied would not affect the safeguards conditions at the other eight U.S.-supplied reactors licensed for Spain (except, paradoxically, to shift the "Asco II problem" to them), let alone conditions at reactors supplied to Spain by other nations.

We are mindful, moreover, that the United States does not have unlimited leverage as a supplier of nuclear technology and fuel. How best to apply our influence to further this country's non-proliferation goals is a question in which complex and sensitive foreign policy considerations become dominant. In dealing with such questions, it would be irresponsible for this Commission not to consider fully the views of the Executive Branch agencies, which have not only functional competence, and Constitutional responsibility, but also are politically accountable for foreign policy decisions.

The majority decision has taken those precepts into account. Indeed, if we were to lose sight of those considerations, we would have grave doubts that the present system of export licensing could work effectively and continue to serve the overall interests of our country.

FINDING AND ORDER

For the reasons set forth above, we find that License No. XR-99 meets all the standards relevant for issuance under the Atomic Energy Act of 1954 and the Energy Reorganization Act of 1974 and hereby direct the Assistant Director for Exports-Imports and International Safeguards to issue said license to the Westinghouse Electric Corporation.

It is so Ordered

By the Commission

SAMUEL J. CHILK,
Secretary of the Commission.

Dated at Washington, D.C. this 21st day of June 1976.

FOOTNOTES

[1] It should be noted that this application does not cover any special nuclear material to be used for fuel in the reactor, which would be the subject of additional licensing actions.

[2] The following U.S. power reactors have been licensed to Spain:

License #XR-59, issued 10/22/65 (Zorita)
License #XR-64, issued 6/09/67 (Nuclenor)
License #XR-88, issued 6/26/73 (Almaraz—2 units)
License #XR-89, issued 6/26/73 (Lemoniz—2 units)
License #XR-90, issued 6/26/73 (ASCO I)
License #XR-97, issued 6/10/74 (Cofrentes)

[3] The application was filed with the NRC's predecessor agency, the Atomic Energy Commission. Therefore, all actions taken prior to January 19, 1975, when the NRC assumed its regulatory responsibilities, relate to the AEC.

[4] The Final Environmental Impact Statement on U.S. Nuclear Power Export Activities (ERDA-1452) was issued in April 1976; the Draft Statement was issued eight months earlier in August 1975.

[5] On February 26, 1976, and March 31, 1976, Westinghouse wrote to the Nuclear Regulatory Commission expressing an urgent need for the license.

[6] "Insofar as U.S. exports to non-nuclear-weapons states which are *not* party to the NPT is concerned, the U.S. position from the outset clearly has been that its obligations under Article III(2) are met if the recipient country has concluded an appropriate safeguards agreement with the IAEA, even though not pursuant to the NPT." (Emphasis in original.) Letter from Myron B. Kratzer to Benjamin Huberman, dated December 18, 1975.

[7] These peaceful use assurances are also associated with safeguards guarantees. *See,* discussion of Question No. 3 at pp. 15-17, *supra.*

[8] This contract entered into force on December 31, 1973. During the first ten-year supply period, Spain is required to purchase a specified number of separative work units which should be sufficient to provide all the fuel needs of the ASCO II reactor. During the remaining twenty-year period, Spain has the right to obtain enrichment services from ERDA up to the requirements of U.S.-supplied reactors, including the one covered by the present license application, after giving written notice to ERDA of the amount of separative work it wishes to purchase, at least ten years in advance of its proposed delivery date. *See, Letter from Dixon B. Hoyle to Benjamin Huberman,* dated April 22, 1976, p. 1.

[9] *See,* Secretary of State Kissinger's testimony before the Senate Committee on Government Operations, March 9, 1976.

DISSENTING OPINION OF COMMISSIONER GILINSKY

In approving the export of the ASCO II reactor to Spain, the Commission majority has determined, among other things, that this action is not inimical to the common defense and security of the United States. I cannot agree.

I should like to make clear at the outset that I do not oppose the export of this reactor; I oppose its export under the particular terms of this license, as it contains a vital flaw involving controls over the plutonium—a nuclear explosive—which will be produced in the operation of the reactor.

I believe the United States must retain the authority to delay the separation of plutonium from the spent fuel until some equitable and secure alternative to national stockpiling of this dangerous material can be instituted. A search for such alternatives is now underway, both in our government and internationally. I have suggested a remedy, which is to place a condition on this license to ensure the retention—as least temporarily—of U.S. controls over the ASCO II fuel by requiring that U.S. fuel be used exclusively in the reactor.

Controls over the civil uses of nuclear energy have evolved through the years, first through our own laws and export practices, and more recently through the development of the International Atomic Energy Agency (IAEA) safeguards systems. They are designed to follow reactor fuel through its cycle and prevent its diversion to explosive purposes. So far these systems have worked well. But recent technological developments require us to look beyond reactor safeguards to what the Secretary of State has characterized as "the greatest single danger of unrestrained nuclear proliferation"—the spread of the means to reprocess spent reactor fuel for its plutonium and the accumulation of this explosive material under national control.[1]

The danger in this developing situation arises from the fact that a secure system for safeguarding separated and stockpiled plutonium from sudden appropriation for military purposes is not yet at hand. The systems now in operation, for reasons I will explain below, are inadequate to provide, in the case of such appropriation, the early

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warning on which all existing safeguards are predicated.

The Commission majority does not appear to dispute this. They agree that plutonium reprocessing and storage raises special problems and must be subject to "stringent" safeguards. Nor do they contest my view that delay of plutonium separation is the only effective safeguard available at the moment. They acknowledge that fuel from non-U.S. sources, over which we have no reprocessing control, may well be used in the Spanish reactor.

It is at this point that the heart of our disagreement can be found. For if non-U.S. fuel is employed, safeguards will be administered only by the IAEA, and the U.S. will have no control over whether and in what circumstances plutonium will be separated from ASCO II's spent fuel. The majority, while admitting that IAEA safeguards leave much room for improvement, studiously avoid taking a position on whether they are adequate to the protection of plutonium reprocessing and storage. Nonetheless, they state that the IAEA safeguards "framework" provides an adequate basis for this particularly export.[2] They would be prepared, in effect, to gamble that major improvements in the system will be in place in time to deal with ASCO II's plutonium output, or lacking this that IAEA will exercise an untested authority of its statute to hold up reprocessing or plutonium stockpiling in Spain. I assess the odds less favorably and conclude retention of U.S. controls is essential in this case. It is for this reason I have advocated a condition, which would involve little or no cost to Spain, to this license.

The majority argues that this course will be ineffective and that only through international negotiations on a broad front can workable controls be achieved. The ultimate solution certainly lies there, but in the meantime the Commission is still required to deal with each license separately and on its merits.

It is obvious that there are inherent limitations in the scope of any licensing review. But we must beware of limiting our scope of action to the point where the Commission becomes merely an interested bystander. Whatever else may be said, at the very least the Atomic Energy Act requires us to ensure that no nuclear export within the Commission's jurisdiction is licensed in conditions that may contribute to nuclear proliferation. An assertion by the majority that the "mechanisms" exist to make safeguards adequate for the future does not, in my view, satisfy the statutory requirement.

The Executive agencies of the U.S. government, which have clearly expressed an awareness of the need for more reliable means for safeguarding separated plutonium in numerous policy statements and actions, have nevertheless recommended the unencumbered issuance of this license. In my opinion it is the statutory responsibility of the Commission to resolve this inconsistency on the side of caution.

Before addressing the merits of the ASCO II license in detail, some background discussion is desirable.

I

Plutonium is an inevitable by-product of the operation of nuclear power reactors of the type here at issue. If separated from the spent reactor fuel, plutonium can be "recycled" as fuel for these reactors to supplement the low-enriched uranium which normally serves this function, or it may be stored for use in future technologies, such as the "breeder" reactor.

The economic viability of the use of plutonium as fuel in the near future is yet to be demonstrated. Nevertheless many nations have recently become interested in the possibility of reprocessing their spent reactor fuel to extract its plutonium, either domestically or, where domestic facilities are lacking, in the facilities of other countries. This development threatens to lead to accumulation of sizeable stockpiles of the separated element, stored against any number of options related to the peaceful uses of nuclear energy. There are, however, dangers inherent in this developing situation since plutonium is also a nuclear explosive, and the amounts produced in the course of the operation of civilian reactors are very large. by any measure, in terms of explosive potential.[3] Once this material is separated and stored, for whatever purpose, it can be appropriated suddenly and without warning for explosives. As will appear below, once plutonium has reached this stage in the fuel cycle, the international safeguards system now available to protect against such appropriation cannot be counted on to provide adequate warning of such an eventuality.

From the beginning of this nation's civilian nuclear export program, the United States has endeavored to protect against the use of exported materials and equipment for other than peaceful purposes. The principal mechanisms for achieving this objective have been our Agreements for Cooperation with our nuclear trading partners; all U.S. exports of nuclear reactors and fuel must be made in accordance with such Agreements. Atomic Energy Act of 1954, as amended, Section 123. These Agreements require, first, that the importing nation assure the United States that fuel and reactors transferred under the Agreement, and plutonium produced during the course of reactor operation, will be used only for peaceful purposes.[4]

It must be emphasized, however, that the United States has never viewed peaceful use assurance to be sufficient, in themselves, to provide the security needed as a basis for export reactors and their fuel. Rather, we have insisted from the outset that each Agreement for Cooperation provide for the application of safeguards over our nuclear exports. These safeguards, which take the form of material accounting and inspection, are designed to ensure compliance with the pledges given in the Agreements and to deter their violation. *See Final Environmental Statement on U.S. Nuclear Power Export Activities* (ERDA-1542), p. 3-97.[5] Implicit in the long-standing safeguards requirement in the Agreements and, more recently, in Article III(1) of the NPT, has been the recognition that circumstances may arise in which a nation might be tempted to disregard its peaceful use assurances to the United States or other nations, and that this possibility must be contemplated in assessing the adequacy of safeguards measures aimed at forestalling use of civilian nuclear materials for military ends.[6] The imposition of such safeguards in any particular instance does not imply a lack of faith in the assurances they support. It is, rather, a recognition of the need for a measure of international discipline if nuclear energy is to be exploited in a manner consistent with international security.

In assessing the adequacy of safeguards as a protection against appropriation for military purposes of nuclear material stockpiles, it is important to understand that a nation tempted to disregard its peaceful use assurances cannot be *prevented* from doing so by the safeguards systems. Rather these systems are designed, as the President pointed out last year, to sound an alarm, and thereby discourage "national diversion of nuclear material from peaceful application *by the risk of early detection." Report to the Congress Regarding Laws and Regulations Governing Nuclear Exports and Domestic and International Safeguards*, March 1975, (emphasis added). The rationale of safeguards is that the discovery by the international community of a breach of peaceful use assurances, *well before* the violator can attain an actual nuclear weapons capability, exposes him to risks of international reaction which may frustrate his purpose. Safeguards effective in this sense provide added confidence to all countries, particularly suppliers and neighbors, that a nation is not likely to violate its assurances in the first instance.

Where only the reactors and the low-enriched uranium which fuels them are involved, material accounting and inspection safeguards can provide this added margin of security because any plutonium produced by the reactors' operation is contained in spent reactor fuel and is still many time-consuming steps away from a form usable for nuclear explosives. Where, however, in addition to reactors and low-enriched fuel, a nation has access to stockpiled, separated plutonium, or to facilities which permit rapid separation of plutonium from spent fuel, the value of accounting and inspection as safeguards to deter a sudden switch from peaceful to military use is open to question. Safeguarded, or "alarmed", plutonium, although it may have been stockpiled against entirely peaceful future applications, is nevertheless but a short step away from use as an explosive. Should the owner decide, for whatever reason, on a sudden move to appropriate the material for illicit purposes, the time between diversion of plutonium and completed weapons can be sharply reduced to what might be a matter of weeks, or conceivably days.[7] Under these circumstances, even if it were assumed that IAEA inspection and monitoring systems were improved to the point that they immediately and unambiguously signalled any violation, it is hard to imagine that an international reaction could be mustered before the assembly of nuclear weapons were completed. This inability to provide a sufficiently early warning to permit such a response seriously undermines the deterrent effect of accounting and inspection safeguards where separated plutonium is involved. Consequently, unless other types of controls are in place, these accounting and inspection safeguards, even if substantially upgraded, cannot perform their intended function of reinforcing peaceful use assurances and, therefore, cannot provide the additional measure of protection the United States has always sought.

As a result, there is now recognition within the United States government that mere application of IAEA safeguards is insufficient to protect readily accessible plutonium derived from U.S. exports and that additional, qualitatively new measures are required. Thus, for example, in Agreements for Cooperation currently under negotiation, the United States is seeking to obtain such additional protection, including in some cases the requirement that produced plutonium be stored outside the recipient country.

Similarly, new U.S. initiatives, such as Secretary Kissinger's proposal regarding multinational fuel centers before the U.N. Genral Assembly in September, 1975,[8] plainly reflect the view that traditional IAEA safeguards, while vital, are insufficient in themselves where national reprocessing and stores of separated plutonium are concerned. Further evidence of this view is found in the U.S. policy against export of reprocessing facilities and of discouraging other supplier nations from doing so, even though these facilities would be covered by IAEA safeguards.

Moreover, the IAEA itself has recognized that new measures may be required to safeguard separated plutonium effectively and has embarked on a study of internationally supervised storage of spent fuel, multinational fuel cycle centers, and similar schemes.

Whatever may have been the role of IAEA safeguards in the past, therefore, it is clear that in the emerging context of reprocessing and plutonium storage IAEA surveillance of material, standing alone, is no longer accepted as adequate protection against the abrupt appropriation of nuclear material for

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military purposes. In essence, cetainty as to the whereabouts and current status of stockpiled nuclear explosive does not offer security against their future misuse.

With this background in mind, let me now turn to the ASCO II license.

II

I believe the crucial question which must be asked in deciding whether this export would be inimical to the common defense and security is whether effective controls will apply to any plutonium produced in this facility. In light of the particular facts and circumstances of this case, I am not confident that such measures will, in fact, apply to this material and accordingly I cannot approve this license.

The U.S.-Spain Agreement for Cooperation provides that a prior U.S. approval of the reprocessing of ASCO II spent fuel must be obtained, provided such fuel was originally supplied by the U.S.[9] *Agreement for Cooperation between the United States and Spain*, March 20, 1974, T.I.A.S. 784, Article VIII(C).[10] This control is a vital supplement to Spain's assurances under the Agreement that plutonium produced in the reactor will be used only for peaceful purposes and to the IAEA safeguards which apply to the material,[11] because it permits the U.S. to impose protective measures *in addition to* the IAEA accounting and inspection system and, if necessary, to delay reprocessing until such additional measures are in place.

In this way, the United States can maintain an effective line of defense against violation of peaceful use assurances where reprocessing and storage of separated plutonium are involved.

Thus with respect to the reprocessing of U.S.-supplied fuel, the United States has the authority to implement effective antiproliferation measures. Unfortunately, the reprocessing control provisions of the Agreement would not apply to any plutonium produced in ASCO II from fuel supplied by Spain itself or by another nation, even though the material was produced in a reactor exported by this country. In this event, the only reinforcement of Spain's peaceful use assurances would be that provided by IAEA safeguards under the IAEA–Spain–U.S. Safeguards Agreements, *supra*. Under the present terms of this trilateral accord, however, these safeguards would be the Agency's material accounting, monitoring, and inspection system which, as explained above, cannot be relied upon, in itself, to provide early warning where reprocessing and separated plutonium are concerned.[12] This is a grave matter inasmuch as it calls into question the adequacy of the protections covering plutonium produced in ASCO II by non-U.S.-supplied fuel.[13]

The possibility that non-U.S.-supplied fuel may be used in the reactor is attested to by the record before us.[14] Indeed, over one-third of the uranium fuel enrichment services for which Spain has apparently contracted are to be purchased from non-U.S. suppliers.[15] While Spain has an enrichment contract with the U.S. which is earmarked for ASCO II, there is no requirement that the reactor be fueled exclusively with U.S.-supplied material. Thus Spain will have the option to use non-U.S.-supplied fuel in ASCO II and consequently to produce plutonium not subject to U.S. reprocessing controls.

Moreover, the possibility that Spain may seek to reprocess ASCO II fuel, regardless of its origin, is by no means unlikely. Spain has already shipped spent fuel to Great Britain for reprocessing and some plutonium has actually been separated from it, although none has yet been returned to Spain. There are indications, in addition, that Spain has long-range plans to develop a domestic reprocessing industry.[16]

All these factors add up to the possibility that ASCO II fuel will be reprocessed outside U.S. controls and subject only to traditional IAEA material accounting and inspection safeguards, which in this context would not be effective in the sense I have used this term.

In these circumstances Spain's failure to join the Treaty on the Non-Proliferation of Nuclear Weapons takes on added significance. Adherence to the Treaty not only enhances a country's bilateral peaceful use assurances, since it constitutes a renunciation of nuclear explosives manufacture;[17] it also broadens the effectiveness of IAEA safeguards by insuring that all of a country's nuclear activities—including indigenously designed and constructed facilities—will be safeguarded, thereby permitting comprehensive cross-checks on recordkeeping and inventories by the IAEA which administers the Treaty's safeguards provisions. The potential for unsafeguarded facilities remains in such nonsignatory nations as Spain, and comprehensive application of the IAEA accounting and inspection program is thus defeated. It is true that even universal accounting and inspection safeguards would not, in themselves, provide the type of protection which I believe is required in the context of reprocessing; nevertheless, taken together with the assurances embodied in the Treaty, they would place this licensing action in a more favorable light.

It is not, of course, U.S. policy to confine exports to NPT parties. But when, as in this case, adherence to the Treaty and its accompanying comprehensive safeguards system is lacking, we are obliged to place greater reliance on the controls provided in our bilateral Agreement.

As I stated at the outset, I am not opposed to the export of this reactor, as such, but only to its export under the conditions I have outlined. Had my colleagues acted to eliminate the deficiency in this license I would have voted to approve it. The deficiency might easily have been remedied by conditioning the license to require exclusive use of U.S.-supplied fuel in the reactor. Since Spain already has numerous enrichment contracts with the Energy Research and Development Administration (ERDA), one of which is, in fact, earmarked for ASCO II, such a commitment would impose little, if any, cost on Spain and might readily have been given.[18]

My colleagues, however, have not even asked the State Department to seek an informal indication from the Spanish authorities as to how they would receive a request for such a commitment, apparently as a result of the State Department's assertion that—

". . . any effort to obtain [firmer] assurances that ASCO II would be fueled only with U.S.-origin enriched uranium . . . would result in protracted negotiations, the outcome of which cannot be predicted."

Letter from Dixon Hoyle, Office of Oceans and International Scientific and Environmental Affairs, Department of State, to Benjamin Huberman, Director, Office of Policy Evaluation, Nuclear Regulatory Commission, April 22, 1976. The State Department does not suggest that they could not be obtained but only that "protracted negotiations" would be required. The mere likelihood of negotiations, however, should not be a basis for this Commission's allowing a potentially important safeguards loophole to go unclosed.

My colleagues emphasize that only two years ago the U.S.-Spain Agreement was approved by the President and reviewed by the Congress. Commission Decision, p. 35. The implication is that it is therefore improper to seek to impose controls beyond those expressly provided in that instrument. But the Agreement is a flexible accord which by its terms contemplates that export requirements will evolve as circumstances warrant. Indeed Article II(A) states that the Agreement shall be subject to "the applicable laws, regulations and license requirements in force in [the signatories'] respective countries." Since the Agreement's signing, significant developments regarding the application of safeguards have, in fact, arisen, making it appropriate, in my view, to employ the license requirement provision of the Agreement to condition this export.[19]

It should also be recalled that satisfaction of the minimum requirements set forth in our Agreements for Cooperation permits nuclear cooperation but does not require it, as noted in the recent Final Environmental Statement on U.S. Nuclear Power Export Activities, *supra.*, prepared by the Energy Research and Development Administration, with NRC participation:

"Although the agreements provide the essential framework for exports and represent an undertaking in good faith by the United States to cooperate in the field of nuclear power in accordance with the agreement provisions, they do not . . . constitute legal commitments on the part of the U.S. to furnish nuclear materials or reactors, or to conclude SNM supply contracts." [p. 3–93.]

My colleagues suggest I have improperly prejudged the efficacy of the safeguards "framework" applying to the reprocessing of non-U.S. fuel irradiated in the ASCO II reactor. They reason that the right of the IAEA "to determine that adequate safeguards can be applied to plutonium reprocessing *before* it occurs provides a mechanism to protect U.S. national security interests," Commission Decision, p. 25 (emphasis in original), inasmuch as approval of reprocessing would be withheld until effective measures against diversion were implemented. There is "no basis for concluding the IAEA will do an inadequate job of making its required [reprocessing] safeguards determination," they argue. Commission Decision, p. 29. Since the IAEA Statute would allow application of safeguards measures in addition to material accounting and inspection, the majority conclude that "the means exist" for the IAEA to make its determination "in harmony" with U.S. interests, Commission Decision, p. 27.[20] Without knowing how the Agency will, in fact, make this determination in the case of Spain, the majority finds it "premature to judge in advance . . . that the IAEA safeguards framework will be inadequate to make a sound determination." Commission Decision, pp. 25–26.

If it is premature for me to judge this question in advance, it is equally premature for the majority to do so. The basis for my judgment that traditional IAEA safeguards, no matter how improved, cannot by themselves give sufficient warning of a sudden appropriation of a national plutonium stockpile clearly stands on firmer ground. To say that "the means exist" for the IAEA to arrive at a similar conclusion and that it will therefore do so and refuse permission to reprocess is no more than the majority's unsupported speculation. I believe that speculation is not enough if we are to relinquish control over reprocessing to the IAEA: we must be *confident* that the Agency, in making its determination as to safeguards adequacy, will in fact bar reprocessing unless or until further measures can be implemented. It is no reflection on the Agency to observe there is as yet little basis for confidence that it will take this position with respect to reprocessing ASCO II fuel; indeed present indications are to the contrary.

In the first place, the Agency is now conducting a preliminary review of safeguards for two reprocessing facilities—the Indian Tarapur Reprocessing Facility, and the Tokai-Mura plant in Japan. There are no signs in either case that the IAEA is considering anything but implementation of

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monitoring, accounting and inspection techniques; or that measures to preclude the stockpiling of separated plutonium under national control—such as deposit with the Agency of any plutonium in excess of India's or Japan's peaceful needs under Article XII(A)(5) of the IAEA Statute—are being actively considered; or that the Agency will withhold its approval of the safeguards on these facilities until such measures are in place.

In making its review in the Indian case, the IAEA is applying the conventional safeguards embodied in INFCIRC/66/Rev. 2, that is, the material accounting and inspection program applicable to nations which have not subjected their entire nuclear program to Agency safeguards by adherence to the NPT. INFCIRC/66/Rev. 2 would also apply to any Agency determination on reprocessing of non-U.S.-supplied ASCO II fuel.[21] In the case of Japan, the IAEA review is being undertaken within the context of INFCIRC/153,[22] which delineates the material accounting and inspection programs to be applied in nations with all their nuclear facilities under IAEA safeguards. Thus in the only two instances arising to date, the IAEA's implementation of the relevant "safeguards framework"—a framework which is virtually identical to that which, insofar as we can predict, will apply to ASCO II—provides no basis for the majority's assumption that measures of the type I believe necessary to the protection of plutonium will be applied by that international body.

The fact that the Agency has not yet progressed beyond its accounting and inspection systems and continues to regard them as a satisfactory basis for safeguarding reprocessing and stored plutonium was further demonstrated by the IAEA Board of Governors on February 23, 1976. At that meeting two trilateral agreements—one among IAEA, France and Pakistan,[23] the other among the Agency, West Germany and Brazil,[24] and both providing for IAEA safeguards over reprocessing facilities—were approved. In both cases, the safeguards provisions of the agreements are based on application of INFCIRC/66/Rev. 2. One must conclude that a similar approach will be followed with respect to the Agency's future reprocessing safeguards determination on ASCO II fuel.

It is unrealistic to expect, moreover, that the IAEA, whose members include both states that sell and states that purchase reprocessing technology, would as a practical matter adopt measures as stringent as those desired by the United States, which has prohibited exports of this technology and has discouraged such transactions by others. Experience with international agencies, which operate with the forebearance and support of their members, inicates that innovative action is not the rule, an that charters are administered circumspectly and with something less than all deliberate speed. To ask that the IAEA veto the reprocessing of spent fuel owned by any one of its sovereign member nations is to place an unwarranted burden on the Agency. This view is consistent, I might add, with the numerous U.S. actions in related contexts. To cite but one example, the U.S. embargo on reprocessing technology exports—exports which would be subject to IAEA safeguards—would make little sense if this government were satisfied that the international system is ready to carry the weight of providing adequate protection over such technology.

It should be added that the reprocessing control provision inserted by the United States in the Agreement for Cooperation with Spain provides further testimony to the fact that the U.S. does not view the IAEA approval as an acceptable substitute. The U.S. has deliberately held on to its own controls *despite* the fact that IAEA approval will be required for the reprocessing of *both* U.S. and non-U.S. fuel.

There would be no purpose served by the reservation of this added control were the IAEA determination regarded as equivalent to that of the United States. This particular reservation of U.S. control contrasts sharply with U.S. willingness to transfer responsibility to the Agency for administering other safeguards rights under the U.S.-Spain Agreement,[25] a clear indication that the United States sees reprocessing as a special case requiring special controls.

Accordingly, while IAEA approval over reprocessing might solve the problem, it is highly unlikely that the Agency would, in fact, exercise any such authority in the foreseeable future.

My colleagues note that desirability of "the most stringent [U.S.] safeguards controls possible over fuel reprocessing." They acknowledge that this activity "raises special problems of timely detection and uninterrupted monitoring," and express a keen awareness that "the need to improve . . . safeguards will continue." Commission Decision, pp. 24, 27, 28. Yet they believe it is "premature", Commission Decision, p. 25, at this juncture to judge whether a safeguards program meeting these high standards will be applied to the processing of non-U.S.-supplied ASCO II fuel; indeed nowhere do they make a finding that such will be the case.

In my view, the majority's reliance on the uncertain course of IAEA's future role is not a permissible substitute for a specific determination that adequate safeguards and related measures will apply to non-U.S. ASCO II fuel. Nor is it a sufficient basis for the requisite statutory finding that this export will not be inimical to the common defense and security.

The very fact that the concerns I have expressed will emerge only in the future underscores the need to retain U.S. control over ASCO II fuel against the time when reprocessing is contemplated, so that we will then have the authority to implement such measures as are deemed advisable. It is well to remember that once lost, control is almost certainly irretrievable. The course the majority has chosen relinquishes our safeguards option prematurely. I believe the preservation of these options is required by our statutory mandate to insure that no exports are licensed which, for want of adequate safeguards, would be inimical to the common defense and security.

As a final matter, my colleagues argue that even if the Commission were to find that the safeguards applying to the ASCO II reactor were inadequate, to attempt to plug this particular loophole would be an exercise in futility. They point out, in effect, that the horse is out of the barn already, because our predecessors in the Atomic Energy Commission licensed eight reactor exports to Spain to which the condition I am suggesting specifically for ASCO II would not extend without further action.

Any correction of this situation, even were it possible, is regarded by the majority as being of limited usefulness in any event, since Spain could purchase reactors not subject to such requirements from other suppliers.[26] This leads in turn to the conclusion that only by joint action with other suppliers and through international negotiations on a broad front can effective controls over reprocessing and plutonium storage be achieved;[27] in the meantime, the majority sees little opportunity for the Commission to rectify the situation in regard to specific license applications before it. This approach will have the effect, as can be seen in the case of ASCO II, of wedding the NRC to the export conditions of the past—or to those of other suppliers. I do not believe the Congress intended the NRC to overlook current deficiencies because their remedy would not apply to earlier, unchallenged transactions. It contributes nothing to the solution of the broader problems to continue on the course that helped create them in the first place.

There are obvious limitations on what can be accomplished within the scope of any individual licensing review.[28] But the Atomic Energy Act requires us to examine *each* license as it comes before us for review and determine whether effective safeguards and related measures will be applied to that particular export and to all nuclear explosive material it may be used to generate.

On the basis of the foregoing, I believe the ASCO II license should not be approved in its present form. The uncertainties surrounding the origin of the fuel to be used in the reactor and, consequently, the adequacy of the safeguards which will be applied to the reprocessing of such fuel, when considered against the background of Spain's failure to join the NPT—or, lacking that, to bring all its nuclear activities under international safeguards—preclude the required finding that the proposed export would not be inimical to the common defense and security.

FOOTNOTES

[1] "Building International Order," Remarks of Secretary of State Kissinger, before the 30th Session of the United Nations General Assembly, September 22, 1975.

[2] Elsewhere in the Decision we are confronted with "the total safeguards framework", which apparently refers to the sum total of assurances, bilateral and trilateral agreements, "mechanisms for improvement", "technical verification", international institutional arrangements in varying stages of development, and the like. Apparently it is their view that the adequacy of safeguards systems depends on the accumulated weight of all such parts. By treating these in aggregate, without critically examining the components, they avoid a statement of what criteria are to be used to measure effective safeguards systems.

[3] A standard reactor of the type under discussion would normally produce about a quarter-ton of plutonium per year. The amount required for an explosive device is perhaps 15 pounds.

[4] Since the initial signing of the Treaty on the Non-Proliferation of Nuclear Weapons (NPT) July 1, 1968, 21 U.S.T. 483, T.I.A.S. 6839, parties to our Agreements have had the opportunity to underscore these bilateral assurances respecting U.S. exports by adherence to the NPT, which requires parties not possessing nuclear weapons at the time of the Treaty's entry into force to renounce unconditionally the manufacture of nuclear explosives. NPT, Article II.

[5] With one exception (Italy) the U.S. has agreed that the safeguards under our Agreements for Cooperation shall be administered by the International Atomic Energy Agency (IAEA) in our behalf. These arrangements between the IAEA, the U.S. and the other party to the Agreement for Cooperation are embodied in separate trilateral agreements (sometimes referred to as "Safeguards Agreements") which provide that the IAEA will apply its material accounting and inspection program to fulfill the safeguards requirements of the relevant Agreement for Cooperation. For convenience the material accounting and inspection safeguards provided by the Agreement for Cooperation will be sometimes referred to as "IAEA safeguards".

[6] Indeed this point is expressly acknowledged in the recent *Final Environmental Statement on U.S. Nuclear Power Export Activities, supra*, by the statement that, notwithstanding obligations to the United States and, where applicable, under the NPT,

"It is impossible to say whether these considerations [arising from violation of these obligations] would outweigh a given country's perceived need to acquire a nuclear-

weapons or nuclear-explosives capability." [p. 6–8].

[7] The time span between diversion and weapons is most sharply reduced where the diverting nation has on hand a stockpile of separated plutonium for in this context material could be removed from the stockpile and rapidly combined with previously fabricated components to make nuclear explosive devices. Such a plutonium stockpile could be legally amassed both by nations with domestic reprocessing facilities and by those who have had spent fuel reprocessed abroad and its separated, constituent elements returned. Nations possessing large scale reprocessing facilities, moreover, would inevitably have significant inventories of plutonium at one or another stage of the fuel cycle, which together would effectively constitute a stockpile of the nuclear explosive.

[8] "Building International Order," Remarks of Secretary of State Kissinger, *supra*.

[9] I am using "fuel supplied by the United States" to refer to material provided pursuant to U.S. Agreements for Cooperation. This would include any material enriched or fabricated in the U.S. and U.S. natural uranium enriched elsewhere.

[10] Article VIII(C) provides:

"When any special nuclear material received from the United States of America pursuant to this Agreement or the superseded Agreement requires reprocessing, or any irradiated fuel elements containing fuel material received from the United States of America pursuant to this Agreement or the superseded Agreement are to be removed from a reactor and are to be altered in form or content, such reprocessing or alteration shall be performed in facilities acceptable to both Parties upon a joint determination that the provisions of Article XI [regarding safeguards] may be effectively applied."

[11] Article XI of the Agreement provides for the application of material accounting and inspection safeguards to all material and equipment transferred to Spain under the Agreement, including plutonium produced from that material. Article XII provides that the IAEA will administer these Article XI safeguards. However, the U.S. right to approve reprocessing of U.S.-supplied fuel, contained in Article VIII, is unaffected by this transfer of authority to the IAEA.

The arrangements for IAEA application of Article XI safeguards are further described in the Agreement Between the International Atomic Energy Agency, the Government of Spain and the Government of the United States of America for the application of Safeguards, ("Safeguards Agreement") December 9, 1966, T.I.A.S. 6182, as amended, June 28, 1974, T.I.A.S. 7856.

[12] This is not to imply that such safeguards would not be based upon sound analysis of material flow, diversion possibilities, and similar techniques, but rather than the early warning effectiveness of material accounting and inspections, such as, is necessary limited in this context because of the collapsed time frame for translating separated plutonium into ready explosives.

[13] My colleagues argue that the IAEA would withhold its approval of reprocessing if it found these traditional safeguards were inadequate in this setting and that the Agency might impose "other measures, perhaps of a different character," Commission Decision, p. 26, if need be. As discussed below, I do not share their confidence in this regard.

[14] See Commission Decision, p. 23.

The Department of State has stated that "... it is possible—but not totally assured—that ASCO II will be fueled only with U.S.-supplied material. . . ." (See letter from Dixon Hoyle, Office of Oceans and International Environmental and Scientific Affairs, Department of State, to Benjamin Huberman, Director, Office of Policy Evaluation, Nuclear Regulatory Commission, April 22, 1976.)

[15] See Prepared Statement of Dr. Robert C. Seamans, Hearings on Export Reorganization Act (S. 1439) before the Senate Committee on Government Operations, April 30, 1975. Spain had at that time contracted for about 9,000 metric tons of separative work from non-U.S. sources. (The annual separative work requirement for a 1,000 megawatt reactor is about 100 metric tons.)

Spain also plans indigenous mining and milling operations. See Remarks of Manuel Isla, Director General ENUSA (Spanish equivalent of ERDA/NRC) delivered at AIF Conference on the Nuclear Fuel Cycle, Stockholm, Sweden, October 28–30, 1975.

[16] *Weekly Energy Report*, May 31, 1976; p. 6–7.

[17] Inasmuch as Spain to date has only tacitly agreed not to use U.S.-supplied material and equipment to manufacture so-called peaceful nuclear explosives, the express renunciation of such explosives provided through ratification of the NPT would be particularly reassuring here.

[18] This license condition, it should be noted, need not necessarily be permanent, nor need it necessarily apply to future licenses to Spain. The circumstances which I believe call for such a license condition today for this export to Spain may well change in the future.

Similarly, whether comparable license conditions would be appropriate for reactor exports under our Agreements for Cooperation with nations other than Spain would depend on the totality of factors present in each such case.

[19] Specifically, following the Indian nuclear explosion, which took place within weeks of the signing of the U.S.-Spain Agreement, intensive official activity led to a searching examination of the efficacy of systems designed to prevent the plutonium produced in civil nuclear programs from finding its way into nuclear explosives.

[20] Nowhere, however, does the majority determine that the safeguards applying to the plutonium produced in ASCO II will, in fact, be adequate, a point to which I will return.

[21] Article 20 of the IAEA/U.S./Spain Safeguards Agreement states that the safeguards to be applied by the Agency are those "specified in Part III of the Safeguards Document", which is defined as Agency document INFCIRC/66/Rev. 2. (September 16, 1968). Part III of INFCIRC/66/Rev. 2 decribes the IAEA material accounting and inspection system, but does not provide for the imposition of any further measures.

[22] INFCIRC/153, The Structure and Content of Agreements between the Agency and States Required in Connection with the Treaty on the Non-Proliferation of Nuclear Weapons (June 1974).

[23] Agreement of 26 February 1976 between the International Atomic Energy Agency, the Government of the French Republic and the Government of the Islamic Republic of Pakistan for the Application of Safeguards (INFCIRC/———).

[24] Agreement of 26 February 1976 between the International Atomic Energy Agency, the Government of the Federative Republic of Brazil and the Government of the Federal Republic of Germany for the Application of Safeguards, INFCIRC/237. This agreement covers both reactors and fuel cycle facilities.

[25] *See*, U.S.-Spain Agreement for Cooperation, Article XII, providing that the safeguards rights accorded in Article XI of the Agreement will be suspended and that in their place the IAEA will administer its safeguards to material and equipment transferred under the U.S.-Spain accord.

[26] This view would appear to be somewhat at variance with the confidence expressed elsewhere by the majority that other suppliers could be depended upon to apply reliable safeguards:

"Moreover, we cannot ignore the fact that other supplier nations, whose policies on nucelar exports embrace "special conditions governing the use of retransfer of sensitive material, equipment or technology," have demonstrated an interest in assuring that fuel they supply will not contribute to the development of nuclear explosives in recipient countries." Commission Decision, pp. 29–30, quoting Henry A. Kissinger before Senate Committee on Government Operations, March 9, 1976.

[27] Notwithstanding these protestations, the majority indicates that it would, however, take unilateral action were "unacceptable risks" posed by an export. Apparently, the majority feels that in this context such action would be effective, though they claim it cannot be where what they regard as lesser risks are at issue.

[28] The license condition I have proposed would not "shift the ASCO II problem" to the U.S. reactors previously supplied to Spain, Commission Decision, p. 36, for the condition could easily be satisfied by applying U.S. fuel from contracts now earmarked for *future* reactors. This could be done without in any way affecting the fuel supply of previously licensed reactors.

EX-SENATOR FRANK CARLSON SUBJECT OF HISTORY PROJECT

Mr. DOLE. Mr. President, my predecessor in office, Senator Frank Carlson, is the subject of an oral history project being conducted at the University of Kansas. Those of us who have had the opportunity of knowing and working with Senator Carlson should be very pleased that he is being so honored. As a State legislator, Congressman, Governor, and Senator he played a major role in the political life of Kansas for many, many years.

Mr. President, I ask unanimous consent that the information concerning this oral history project be printed in the RECORD.

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

ORAL HISTORY PROJECT

The life and political career of Frank Carlson, former United States Senator and Governor of Kansas, will be the subject of an oral history project. The oral history interviews will be conducted under the auspices of the Kansas Collection, Kenneth Spencer Research Library in cooperation with the University of Kansas Bicentennial Committee. Funds for the oral history have been provided by the Reece Construction Company of Scandia, Kansas, as part of the company's commemoration of its fiftieth anniversary and the American Bicentennial.

Carlson's political career has been a long one. He was first elected to the Kansas House of Representatives in 1929. From 1932 to 1934 he was State Chairman of the Republican Party, and in 1935 he was elected to the U.S. Congress. Carlson served five successive terms in Washington as Representative from Kansas, but in 1946 he was not a candidate for reelection. Instead he was elected governor in that year.

Carlson served as governor of the state until his election to the U.S. Senate in 1950 to fill the unexpired term of Clyde M. Reed. He then was elected to the Senate for a full term in 1951 and continued to be reelected until his decision not to be a candidate in 1968.

The oral history interviews in which Carlson will recount his political career and his other life's activities will be conducted at Carlson's home in Concordia. Once completed the oral history interviews will become part of the permanent holdings of the Kansas Collection.

KITTY TAYLOR DAY

Mr. WILLIAMS. Mr. President, it is with great pride that we in New Jersey paid tribute recently to the distinguished career of Kitty Taylor by declaring June 6, "Kitty Taylor Day." Ms. Taylor has served for 10 years with dedication and distinction as deputy director of the Golden Age project of the Newark Senior Citizens Commission and continues to demonstrate those fine attributes as the director of senior citizens affairs for the United Community Corp., which is the antipoverty agency for Newark.

Ms. Taylor has devoted most of her life to the needs and concerns of senior citizens. She has been and will continue to be the driving force in creating a better life for senior citizens.

Katherine V. Taylor is the only child of Mrs. Hattie B. Kearney and the late Mr. Buchanan Kearney, Jr. She was born in Wake Forest, N.C., and later lived in Rockville, Long Island. A graduate of Howard University, with a double-major in psychology and sociology, Ms. Taylor has served on Presidential, gubernatorial, and mayoral commissions and has frequently contributed articles to such publications as the New Jersey Afro-American Newspaper and the Forum. And, for the past 8 years, she has directed the "Senior Citizens in Action" radio show over WNJR in Newark.

In 1973, the city of Newark selected Kitty Taylor as their first woman of the year. She has also won many awards from various churches, schools, medical facilities, veterans' groups, community centers, and private concerns.

Therefore, in recognition of her many accomplishments I join the many friends who paid tribute to Kitty Taylor at a testimonial dinner given in her honor on June 6. It is my hope that she may continue to serve the community successfully for many years to come.

MRS. CLAIRE SETLOW

Mr. RIBICOFF. Mr. President, one of the outstanding women of Connecticut, Mrs. Claire Setlow, died in April of this year. She was loved and respected by thousands and contributed so much to the overall community. She was a great lady who devoted her life to her family, friends, and the well-being of people. Her passing is mourned and deeply felt by many.

I ask unanimous consent that articles from the Connecticut Jewish Ledger and the Metropolitan Star be printed in the RECORD.

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

[From the Connecticut Jewish Ledger, Apr. 29, 1976]

A GREAT LADY

Claire Setlow is no longer with us....

Those of us who knew her will always remember her, the rare human being she was—a loving wife, an outstanding mother, a devoted sister, and a beautiful woman in every sense who brought happiness to so many, many people in our community.

The last two years were a period of great physical suffering for her, yet Claire exhibited an extraordinary amount of sheer mental strength which, I am convinced, enabled her to continue her daily activities.

As late as August, Claire insisted that Herb accept an invitation from Prime Minister Yitzhak Rabin to participate in the 1976 Prime Minister's United Jewish Appeal Mission to Israel, albeit the fact she would be hospitalized during the time Herb was away. She felt that his responsibilities as the Federation president in these critical times required him to respond to Mr. Rabin's invitation.

She exhibited great pride in Herb's leadership role in a multiplicity of Jewish activity over a period of many years. She enjoyed sharing these activities and achievements with him and joined him at hundreds of conferences over the years.

Claire was exceptionally proud of the outstanding professional careers her daughters, Marci and Carrie, had made for themselves in New York.

One of the first people to welcome me to the New Haven community on my arrival a decade ago was Claire. In the past ten years, I spent many hours with her in many different situations, at meetings, at simchas and at sad occasions. She represented a kind of strength, loyalty and special warmth to her family and her community that is so unusual in this day and age of insensitivity.

Claire's passing is a communal loss. We hope the family is comforted in the knowledge that their loss is shared by so many of us who knew her and loved her.

May her Memory truly be for a Blessing!

ARTHUR SPIEGEL,
Executive Director,
New Haven Jewish Federation.

[From the Metropolitan Star, May 1976]

ONE THOUSAND JOIN IN TRIBUTE TO MRS. HERBERT SETLOW

NEW HAVEN.—More than 1,000 communal figures, including hosts of top National, District 1, District 1 B'nai B'rith Women and Connecticut B'nai B'rith leaders, joined in a tribute to Mrs. Herbert D. (Claire) Setlow at funeral services in Congregation Mishkan Israel here on April 27.

Mrs. Setlow, wife of the nationally prominent Jewish leader who is National Chairman of the B'nai B'rith Community Voluntary Services (CVS) Commission, died April 25 in Yale-New Haven Hospital after a long illness. She was 62.

The 1,000 who attended the services constituted one of the largest turnouts for such a tribute in New Haven community history.

Mrs. Setlow, a Life Member of Horeb Chapter, B'nai B'rith Women, was a familiar figure for more than quarter of a century at B'nai B'rith events around the world, where she accompanied her husband, a former President of District 1.

In his eulogy, Rabbi Richard Goldberg noted her long and devoted services to her community, to Jewry and to many causes. Her husband is president of the New Haven Jewish Federation. Later, Ted C. Gorman, former District 1 President, lauded her at installation ceremonies of Connecticut Valley Council officers.

Besides her husband, she is survived by two daughters, Marcia and Carolyn Setlow, a sister and three brothers.

NEW JUSTICE FOR INDIANS?

Mr. HOLLINGS. Mr. President, I join with my distinguished colleagues, the senior Senator from Michigan (Mr. PHILIP A. HART) and the senior Senator from Minnesota (Mr. MONDALE) in cosponsoring S. 3298, the Central Arizona Indian Tribal Water Rights Settlement Act fo 1976, which was introduced on April 13 by the distinguished senior Senator from Massachusetts (Mr. KENNEDY). Senator HART's excellent statement of this date sets forth our reasons for associating ourselves with this important and timely legislation.

In further support of S. 3298, I would refer my colleagues to an editorial entitled "New Justice for Indians?" which appeared in the May 6 edition of the Sumter, S.C., Item. I ask that the editorial be printed in the RECORD.

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

NEW JUSTICE FOR INDIANS?

When the Indian signed treaties in the 19th century that were to last "as long as the grass grows and the rivers run," he didn't foresee the white man's 20th-century technology, which can change the rivers in their courses or slow them to a trickle.

An area of central Arizona, which has been irrigated and farmed by American Indians for 2,000 years, according to archeological estimates, is gradually reverting to arid desert. For 30,000 Pima, Papago and Mohave-Apache Indians, organized into five tribal communities, it has become a question of how much longer they will be able to grow grass or any other crop with the water they have left.

This tragedy, which has changed once-prosperous self-sufficient Indian farmers into destitute, welfare-dependent people, was brought about by the theft of their water in violation of rights supposedly guaranteed them by the U.S. government, charges the Association on American Indian Affairs.

For the past 100 years, says the association, the Department of the Interior has repeatedly subverted treaties, statutes, executive orders and federal court decisions to the benefit of commercial and industrial interests and non-Indian farmers.

Now at last, following lengthy hearings last October by the Senate Committee on Interior and Insular Affairs, a bill has been introduced in the Senate to settle once and for all the complex question of the water rights of the five tribes "and to promote their economic self-sufficiency through farming and irrigated agriculture." This is S. 3298, introduced by Sen. Edward M. Kennedy, D-Mass.

Essentially, the bill would authorize and direct the Secretary of the Interior to acquire, at fair market value, about 170,000 acres of lands in central Arizona with surface water rights and transfer these rights to the tribes in satisfaction of their present and future right to the use of water for farming purposes.

The acquisition would take place over a number of years, allowing ample time for the amortization of investments and orderly decision on the part of non-Indian water users.

The alternative is protracted litigation in the courts, which would take many years, Kennedy points out, with resultant hardship and uncertainty for both non-Indian and Indian water users.

The plight of 30,000 Indians may be of little moment to 210 million other Americans, but the fact is that taxpayers are now spending $60 million a year to keep these still proud people on welfare they do not want.

At the same time, the government proposes to spend $1 billion to rescue no more than 151 white-owned farms, whose runoff has been contributing to the pollution of the lower Colorado. This is the estimated construction and operating cost of the Wellton-Mowhawk desalinization plant designed to fulfill treaty obligations with Mexico regarding Colorado River quality.

Under S. 3298, the Secretary of the In-

terior would also be authorized to retire these farms, paying just compensation to their owners, and the expensive desalinization plant would not be necessary.

S. 3298 "could well be the most important piece of American Indian natural resource legislation ever passed," said the Association on American Indian Affairs, "and celebrate this Bicentennial year with the start of a new era of justice for our first Americans."

SECRETARY RICHARDSON LETTER TO CHAIRMAN HILLS

Mr. PERCY. Mr. President, in the RECORD of June 18, 1976, I mentioned to my colleagues that Secretary of Commerce Elliot Richardson was forwarding to me a copy of his June 17 letter to Securities and Exchange Commission Chairman Roderick Hills. The letter is a sincere effort on the part of Secretary Richardson to reconcile any differences on intepretation between the ongoing efforts of the SEC and the initiatives proposed by the President's Task Force on Questionable Payments Abroad on the scope of proposed legislation in this area.

For the benefit of my colleagues, I request unanimous consent that the full text of the letter be printed in the RECORD.

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

THE SECRETARY OF COMMERCE,
Washington, D.C., June 17, 1976.

Hon. RODERICK M. HILLS,
Chairman, Securities and Exchange Commission, Washington, D.C.

DEAR ROD: Thank you for your letter of June 16, 1976 regarding my letter of June 11 to Senator Proxmire. I sincerely regret that certain language in my letter has been construed as potentially undercutting the legitimate ongoing enforcement activities of the SEC. That, as I am sure you appreciate, was certainly not my intent.

The purpose of the analysis set forth in my letter was to demonstrate that debate has existed and may continue regarding the proper scope of SEC enforcement under the doctrine of "materiality." I personally did not and do not wish to take a particular side in such a debate nor to affect in any way the seventeen enforcement actions already undertaken and successfully concluded by the SEC. For reasons stated in my letter to Senator Proxmire—above and beyond those pertaining to the "materiality" debate—I do believe that new legislation as proposed by President Ford is required to supplement and complement SEC activities if we are to deter fully, in the future, questionable or improper payments.

You know I feel that you and your fellow Commissioners, and the staff of the SEC, deserve great credit for taking a forceful position at the vanguard of those seeking to assure that the business standards of all American corporations comport with our national ethic. Further, I am particularly pleased that the President has decided to endorse the legislation which you proposed on May 12 to assure greater corporate accountability.

I would not want any misunderstanding my letter may have caused to interfere with our continued cooperation in the pursuit of adequate measures to restore and maintain confidence in American business conduct.

With warm regard,

Sincerely,

ELLIOT L. RICHARDSON.

FUNERAL OF AMBASSADOR MELOY AND ECONOMIC COUNSELOR WARING

Mr. PELL. Mr. President, today Senator MATHIAS and I attended the funeral at the Washington Cathedral for Ambassador Francis Meloy and his Economic Counselor Robert Waring. Ambassador Meloy and Mr. Waring were dedicated members of our career Foreign Service who gave their lives in the effort of the United States to help strife torn Lebanon find a way out of its tragic civil war. I was particularly moved at this service as Ambassador Meloy was an old friend of mine and a former colleague when I was a member of the Foreign Service myself.

During the service at the cathedral Mr. Philip Habib, Under Secretary of State for Political Affairs delivered an eloquent and moving eulogy for Ambassador Meloy and Mr. Waring. His words most appropriately pay tribute not only to those two fine men, but also to all of the fallen of the Foreign Service in the line of duty. Mr. President, I ask unanimous consent that the text of Under Secretary Habib's remarks be printed in the RECORD.

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

REMARKS BY PHILIP C. HABIB

Mr. Vice President, Mrs. Waring, Mr. Meloy, Members of the Families and friends:

I am here today to speak for the Foreign Service of the United States of America—to pay, as best we can, a small measure of the debt of gratitude, pride and love that we owe our colleagues and our friends, Frank Meloy and Bob Waring. And to offer to their families the sympathy, understanding and the solidarity which all of us in the Foreign Service hold for our loved ones who give up so much—both those who share foreign duty with us, and those who remain at home to bind us even more closely to the country we serve.

Service—to the nation; and to the higher values of humanity. That is the symbol and the legacy of these two Americans. Theirs will be the new names added to the long list of Foreign Service men and women who gave their lives in tragic or heroic circumstances—names engraved in marble at the Diplomatic Entrance of the Department of State. That list runs back 200 years. For some 175 of those years it is largely a record of those who lost their lives to disease and natural disaster. But for the last quarter-centry it tells a story of the widening violence which mankind inflicts upon itself.

The forces of change in our century have brought vast material benefit and widening horizons of the human spirit. But they have spawned as well new plagues of terror and war which can touch the lives of every citizen. Thus, more than ever before, peace is the profession of the diplomat. And the role of honor in the Department of State tragically records the sacrifice exacted by this new meaning of foreign service.

Indeed, the names of foreign posts where Frank Meloy and Bob Waring served their country can make up a catalogue of political crisis and human suffering in our time: from Athens in 1947 through Berlin, Saigon, Santo Domingo, Guatemala, to Beirut in 1976. Their careers represent the diversity and the challenges characteristic of their time.

Frank Meloy's career brought him a short time ago to serve as Ambassador to Lebanon. He moved from working to help a nation battered by nature to one ravaged by man.

This year—as for the past four years—found Robert Waring pursuing his career in Beirut. There, through two tours of duty, he had unswervingly committed himself—under ever-worsening conditions—to offer his deep understanding of the economic and political forces at work in Lebanon in the service of the United States.

The fate these men shared saddens us. Their paths crossed as paths so often cross in a wandering profession. Like all of us their lives touched thousands of others and finally touched each other.

Over the past few days I have asked some of their friends to tell me what they remember. To those who knew them and worked with them, no matter how long ago, the memories were sharp. These were not men who blend and fade.

Frank's friends remember him as cool and collected. Courtly in bearing and manner, but tough underneath. When I saw him last a few weeks ago, he was the veteran diplomat off to meet a new challenge with that certain panache. A man of conviction not afraid to dissent, well before it was a popular mark of individuality. A man with an affinity for service, and a life time to demonstrate it.

Bob's colleagues recall his gentility. In the sweetest tribute of all, one described him as somebody who tried to live a saintly life. He liked people from all walks of life and they responded. He had more good friends in Beirut than any other member of the staff. He cared about others, and is remembered by those younger officers whom he welcomed within his circle with warmth and consideration, Full of rectitude and decency, he was sometimes reserved but passionately outspoken if he thought something was wrong.

These were men of great personal courage. Within days of his arrival, Frank Meloy died seeking to carry his negotiations into the most dangerous areas of the city—areas into which Bob Waring had repeatedly and valiantly ventured time and again to carry out his official missions.

And these were men of great principle. Their lives tell us they knew that freedom is precarious for its own sake; that truth is infinitely valuable; and that only when people are prepared to devote their very being, are the forces set in motion by which peace may prevail.

And let us pay tribute to another brave man—one whose dedication and loyalty lost him his life with Frank Meloy and Bob Waring. I speak of Zohair Moghrabi. His long and commited service to our Embassy in Beirut, and his ultimate sacrifice ,stand as a symbol of the thousands of Foreign Service local employees who have helped America in their native lands and for whom the Foreign Service feels a special gratitude and affection.

Secretary of State Kissinger has awarded to Francis Meloy, to Robert Waring, and to Zohair Moghrabi the Department of State's highest honor, the Secretary's Award—for the courage, the dedication, and the loyalty which led them to give their lives in the cause of peace.

The memory of these men will live in the love of their families; in the pride of the Foreign Service; in the gratitude of the United States; and in the hearts of people everywhere who care for peace.

Colleagues and friends:

The event that has assembled us here was brutal, and tragic. But the legacy of which we have come to pay tribute is enduring, and good.

What these men leave behind strengthens us in our commitment: to our country, and to peace.

There are cynics in this beloved land of

ours who see only the tarnishing of government service. In these men we honor today the burnished shield of the Republic is held on high.

Not long ago the generation of Americans to which these men belong was called upon, "to pay any price, bear any burden, meet any hardship." They met hardship, they bore their burden, and they paid the ultimate price.

TIME-LIMITATION AGREEMENT—H.R. 14236

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at such time as H.R. 14236, Public Works for Water and Power Development and Energy Research Appropriation Act, 1977, is called up and made the pending business before the Senate, there be a time limitation thereon of 1 hour, to be equally divided between Mr. STENNIS and Mr. HATFIELD; that there be a time limitation on any amendment thereto of 30 minutes; that there be a time limitation on any debatable motion, appeal, or point of order of 20 minutes; and that the agreement with reference to the control and division of time be in the usual order.

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

TIME-LIMITATION AGREEMENT—H.R. 14261

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at such time as H.R. 14261, an act making appropriations for the Treasury Department, the U.S. Postal Service, and for other purposes, is called up and made the pending business before the Senate, there be a time limitation thereon of 1 hour, to be equally divided between Mr. BELLMON and Mr. MONTOYA; a time limitation on any amendment of 30 minutes, a time limitation on any amendment, debatable motion or appeal of 20 minutes; and that the agreement with reference to the division and the control of time be in the usual form.

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

TIME-LIMITATION AGREEMENT—S. 3105

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, with the undestanding that the bill, S. 3105, the ERDA authorization bill, not be called up before Wednesday, June 23, when such bill is called up and made the pending business before the Senate, there be a time limitation on the bill of 2 hours, to be equally divided between the distinguished majority and minority leaders or their designees; a time limitation on an amendment by Mr. HASKELL of 2 hours; a time limitation on an amendment by Mr. RANDOLPH of 40 minutes; a time limitation on any other amendment of 1 hour; a time limitation on any debatable motion or appeal or point of order if such be made of 20 minutes; and that the agreement be in the usual form.

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

ORDER FOR RECESS FROM TOMORROW UNTIL 9 A.M. ON WEDNESDAY, JUNE 23, 1976

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business tomorrow, it stand in recess until the hour of 9 o'clock on Wednesday morning.

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

ORDER FOR CONSIDERATION OF H.R. 14236 ON WEDNESDAY, JUNE 23, 1976 AND FOR RESUMPTION OF UNFINISHED BUSINESS THEREAFTER

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Wednesday morning, following the recognition of any Senator for whom orders have been entered previously, the Senate proceed to the consideration of the bill making appropriations for public works, H.R. 14236, and that upon the disposition of that bill, on which there is a time agreement, the Senate resume consideration of the unfinished business, Calendar Order No. 891, H.R. 10612.

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

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene, following a recess, at 9 o'clock tomorrow morning. After the two leaders or their designees have been recognized under the standing order, Mr. SCOTT of Virginia will be recognized for not to exceed 15 minutes, after which the Senate, by unanimous consent, will have not to exceed 15 minutes for the transaction of routine morning business, with statements limited therein to 5 minutes each.

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

Mr. ROBERT C. BYRD. Following routine business, the Senate will take up S. 12 and, by unanimous consent, that measure will be before the Senate until disposed of, there being a time agreement thereon.

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

Mr. ROBERT C. BYRD. Upon disposition of S. 12, the Senate will resume consideration of the unfinished business, H.R. 10612. Rollcall votes will occur on S. 12, undoubtedly, which means that rollcall votes could come as early as 10 o'clock tomorrow morning, and there will be continuing rollcall votes on the unfinished business tomorrow.

RECESS TO 9 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until tomorrow morning at 9 o'clock.

The motion was agreed to; and at 7:04 p.m., the Senate recessed until Tuesday, June 22, 1976, at 9 a.m.

NOMINATIONS

Executive nominations received by the Senate June 21, 1976:

DEPARTMENT OF COMMERCE

Leonard S. Matthews, of Illinois, to be an Assistant Secretary of Commerce, vice Travis Edwin Reed, resigned.

COMMUNITY SERVICES ADMINISTRATION

Robert C. Chase, of Virginia, to be Deputy Director of the Community Services Administration (new position).

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

Alan M. Lovelace, of Maryland, to be Deputy Administrator of the National Aeronautics and Space Administration, vice George M. Low, resigned.

IN THE NAVY

Rear Adm. Bobby R. Inman, 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.

HOUSE OF REPRESENTATIVES—*Monday, June 21, 1976*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

I have fought a good fight, I have finished my course, I have kept the faith.—II Timothy 4: 7.

Eternal God, Father of mercies and God of all strength, we lift our hearts unto Thee in this prayer of thanksgiving and praise. We thank Thee for the beauty in nature, for the nobility of character, for the love in our family circles, for the fellowship of good friends, for churches where we worship freely, for the rich heritage of our beloved country, and for Thy word which reveals to us the way to live happily and harmoniously. May our words of thanksgiving become our work in thanksgiving.

Send us out into this day to be worthy representatives of Thee. We pray for integrity of character, for the attitude of mercy, for firmness on behalf of right living for ourselves and others, for understanding compassion for those who do wrong, and an ever-present love for all Thy children. So may we lift the level of our public and private lives and make our country a better place for our children and our children's children.

We pray in the spirit of Christ. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's pro-

ceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 5621. An act to authorize the Secretary of the Interior to establish the Valley Forge National Historical Park in the Commonwealth of Pennsylvania, and for other purposes.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 12384) entitled "An act to authorize certain construction at military installations and for other purposes."

The message also announced that the Senate agrees to the amendments of the House to a bill of the Senate of the following title:

S. 98. An act to establish the Klondike Gold Rush National Historical Park, and for other purposes.

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 8410. An act to amend the Packers and Stockyards Act of 1921, as amended, and for other purposes.

The message also announced that the Senate had passed bills and joint and concurrent resolutions of the following titles, in which the concurrence of the House is requested:

S. 1477. An act for the relief of Beatrice Serrano-Toledo;

S. 2322. An act for the relief of Lee Mee Sun;

S. 2618. An act for the relief of Chea Hyo Suk;

S. 2668. An act for the relief of Arturo Moreno Hernandez;

S. 2770. An act for the relief of Anthony Augustus Daley and Beverly Evelyn Daley;

S. 3542. An act to authorize the Secretary of the Interior to make compensation for damages arising out of the failure of the Teton Dam a feature of the Teton Basin Federal reclamation project in Idaho, and for other purposes;

S. 3557. An act to authorize the appropriation of funds necessary during the fiscal year 1977 to implement the provisions of the Treaty of Friendship and Cooperation between the United States and Spain, signed at Madrid on January 24, 1976, and for other purposes;

S.J. Res. 201. Joint resolution to authorize and direct the Secretary of the Army, acting through the Chief of Engineers, to undertake dredging operations for Operation Sail, and for other purposes;

S.J. Res. 203. Joint resolution to amend the Higher Education Act of 1965, and for other purposes; and

S. Con. Res. 123. Concurrent resolution extension of contract for Fort Mohave, Nev.

CONSENT CALENDAR

The SPEAKER. This is Consent Calendar day. The Clerk will read the bill on the Consent Calendar.

PREEMPTION OF STATE LAWS INCONSISTENT WITH FEDERAL EMPLOYEE HEALTH BENEFITS PROGRAM

The Clerk called the bill (H.R. 12114) to amend chapter 89 of title 5, United States Code, to establish uniformity in Federal employee health benefits and coverage provided pursuant to contracts made under such chapter by preempting State or local laws pertaining to such benefits and coverage which are inconsistent with such contracts.

There being no objection, the Clerk read the bill as follows:

H.R. 12114

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 8902 of title 5, United States Code, relating to contracts for Federal employee health benefits plans, is amended by adding at the end thereof the following new subsection:

"(1) The provisions of any contract under this chapter which relate to the payment, nature, or extent of benefits or coverage shall supersede and preempt any State or local law, or any regulation issued thereunder, which relates to health insurance or plans to the extent that such law or regulation is inconsistent with such contractual provisions.".

With the following committee amendment:

On the first page, beginning on line 8, strike out "payment, nature, or extent of benefits or coverage" and insert in lieu thereof "nature or extent of coverage or benefits (including payments with respect to benefits)."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER. This concludes the call of the Consent Calendar.

RESIGNATION AS CHAIRMAN OF COMMITTEE ON HOUSE ADMINISTRATION

The SPEAKER laid before the House the following resignation as chairman of the Committee on House Administration:

WASHINGTON, D.C.
June 21, 1976.

Hon. CARL ALBERT,
Speaker of the House,
Washington, D.C.

DEAR MR. SPEAKER: The charges which have been made against me and the current state of my health make it impossible for me to devote the time necessary to carry out my responsibilities as Chairman of the House Administration Committee.

I, therefore, have decided to step down as Chairman of that Committee.

I am confident that I will be vindicated as to any wrong-doing, and when that occurs, I shall ask for a re-examination of my position by the Caucus.

With kind personal regards, I am,

Very sincerely yours,

WAYNE L. HAYS,
Chairman.

The SPEAKER. Without objection, the resignation will be accepted.

There was no objection.

A motion to reconsider was laid on the table.

UNIQUE BICENTENNIAL GIFT

(Mr. FRENZEL asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. FRENZEL. Mr. Speaker, Belgium, our trusted NATO ally, has sent a unique Bicentennial gift to the United States. It has sent its outstanding ballet of the 20th century which will give a number of Bicentennial performances here.

Belgium's Crown Princess Paola traveled to Washington to attend the very first performance of the ballet at Wolf Trap on Flag Day, June 14.

Princess Paola's trip to the United States was a very special gesture. Her presence, as a representative of the people of Belgium, was an added, personal demonstration of the close relationship between our two countries, and of our strong mutual interests.

Belgium's Bicentennial tribute and the personal visit of Crown Princess Paola is greatly appreciated.

PERMISSION FOR COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION TO SIT ON TUESDAY, WEDNESDAY, AND THURSDAY OF THIS WEEK BETWEEN 10 A.M. AND 12 NOON DURING THE 5-MINUTE RULE

Mr. HOWARD. Mr. Speaker, I ask unanimous consent that the Committee on Public Works and Transportation be permitted to sit between the hours of 10 a.m. and 12 noon on Tuesday, Wednesday, and Thursday of this week during the 5-minute rule.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

CALL OF THE HOUSE

Mr. GRASSLEY. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McFALL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 413]

Abzug	Badillo	Boland
Addabbo	Bell	Bowen
Alexander	Biaggi	Brademas
Allen	Biester	Brinkley
Ambro	Blouin	Butler
Anderson, Ill.	Boggs	Chisholm

Clausen, Don H.	Heinz	Nolan
Cochran	Helstoski	O'Hara
Collins, Ill.	Henderson	O'Neill
Conlan	Hightower	Pattison, N.Y.
Conyers	Hillis	Pepper
Corman	Hinshaw	Peyser
Cotter	Howe	Quie
Danielson	Hutchinson	Rees
de la Garza	Jarman	Rhodes
Dent	Johnson, Pa.	Risenhoover
Dickinson	Jones, Okla.	Rostenkowski
Diggs	Jones, Tenn.	Ruppe
Dodd	Jordan	Santini
Downey, N.Y.	Karth	Sarbanes
du Pont	Landrum	Scheuer
Eckhardt	Litton	Solarz
Eilberg	McCloskey	Staggers
Emery	McCollister	Stanton, James V.
Esch	McCormack	Steiger, Ariz.
Eshleman	McDade	Stuckey
Fish	McDonald	Sullivan
Flynt	McKinney	Symington
Foley	Maguire	Udall
Ford, Tenn.	Mathis	Vander Jagt
Giaimo	Metcalfe	Walsh
Gonzalez	Michel	Wampler
Green	Milford	Waxman
Hanley	Mills	Wilson, C. H.
Hansen	Moakley	Wilson, Tex.
Harrington	Morgan	Wolff
Harsha	Murphy, Ill.	Wright
Hays, Ohio	Murphy, N.Y.	Wydler
Hébert	Neal	Young, Alaska
Heckler, Mass.	Nedzi	Young, Ga.
Hefner	Nichols	Zeferetti
	Nix	

The SPEAKER. On this rollcall 307 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

PERMISSION FOR SUBCOMMITTEE ON LEGISLATION AND NATIONAL SECURITY OF COMMITTEE ON GOVERNMENT OPERATIONS TO MEET BETWEEN 10 O'CLOCK A.M. AND 12 O'CLOCK NOON ON TUESDAY, JUNE 22, 1976, DURING 5-MINUTE RULE

Mr. BROOKS. Mr. Speaker, I ask unanimous consent that the Subcommittee on Legislation and National Security of the Committee on Government Operations be permitted to meet for purposes of conducting a hearing between 10 o'clock a.m. and 12 o'clock noon on Tuesday, June 22, 1976, while the House is sitting under the 5-minute rule.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

AUTHORIZING APPROPRIATIONS FOR THE FEDERAL FIRE PREVENTION AND CONTROL ACT OF 1974

Mr. TEAGUE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 12567) to authorize appropriations for the Federal Fire Prevention and Control Act of 1974 and the act of March 3, 1901, for fiscal years 1977 and 1978, and for other purposes, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert: That (a) section 17 of the Federal Fire Prevention and Control Act of 1974 (15 U.S.C. 2216) is amended—

(1) by striking out "and" immediately after "June 30, 1975,", and

(2) by inserting ", not to exceed $3,750,000 for the transitional fiscal quarter beginning July 1, 1976, and ending September 30, 1976, not to exceed $15,000,000 for the fiscal year ending September 30, 1977, and not to exceed $20,000,000 for the fiscal year ending September 30, 1978" immediately after "June 30, 1976".

(b) Section 16(b) of the Act of March 3, 1901 (15 U.S.C. 278f(b)) is amended—

(1) by striking out "and" immediately after June 30, 1975" and inserting a comma in lieu thereof, and

(2) by inserting ", not to exceed $1,275,000 for the transitional fiscal quarter beginning July 1, 1976, and ending September 30, 1976, not to exceed $5,500,000 for the fiscal year ending September 30, 1977, and not to exceed $6,000,000 for the fiscal year ending September 30, 1978" immediately after "June 30, 1976".

SEC. 2. Section 7(h) of the Federal Fire Prevention and Control Act of 1974 (15 U.S.C. 2206(h)) is amended—

(1) by inserting "(1)" immediately before "Of the sums authorized", and

(2) by adding at the end thereof the following new paragraph:

"(2) Before a commitment may be made to obligate funds for the construction of any facility of the Academy under paragraph (1), the Secretary shall submit to the chairman of the Committee on Science and Technology of the House of Representatives and to the chairman of the Committee on Commerce of the Senate the plans for the construction of such facility. The Secretary may make a commitment to obligate funds for the construction of such facility in accordance with such plans unless the Congress, within sixty calendar days of the date such plans are submitted under this paragraph, adopts a concurrent resolution the substance of which disapproves a commitment to obligate funds for the construction of such facility under such plans.".

Mr. TEAGUE. Mr. Speaker, the Senate amendment to H.R. 12567 does not change the level of authorization recommended by the House for fiscal years 1977 and 1978. Changes in other provisions will have only minor effects, and the Committee on Science and Technology finds these changes acceptable.

Three changes are made by the Senate amendment.

First, an explicit authorization for the transition quarter is given by the Senate amendment. The House version of H.R. 12567 did not contain an explicit transition quarter authorization because Public Law 94-144, the omnibus authorization law for the transition quarter, provided authorization and Public Law 94-121 already had appropriated funds for the transition quarter. The Senate prefers to have an explicit authorization and we are happy to agree to the Senate's wishes in this matter. There is no conflict with Public Law 94-144 because it provides that other laws may supersede it.

Second, the House bill provided that Congress must be given 60 days' notice of plans for the construction of any facility for the National Academy for Fire Prevention and Control. Under the House bill either House of Congress could stop any money from being spent on Academy construction if the plans were not satisfactory by adopting a resolution within the 60-day period. The Senate had no such provision in S. 2862, the bill originally passed which parallels H.R. 12567. The Senate acceded to the wishes of the House in keeping a 60-day veto provision when amending H.R. 12567. Several members of the Senate Commerce Committee believe that one-House vetoes such as the House bill contained are not good law, however, so we changed the provision slightly to require that both Houses of Congress agree in order to veto proposed expenditures under academy construction plans. The compromise provision sufficiently reflects the House concern that academy facilities should be adequate but not excessive.

Third, the Senate amendment deletes a House provision which required that the National Fire Prevention and Control Administration not conduct any research that had been authorized to be conducted by the National Bureau of Standards Fire Research Center, without the specific authorization of the Secretary of Commerce. The intent of that provision was to insure that the Government take a more coordinated approach to fire research. The Senate agreed with the objective that programs of the Fire Research Center and the Fire Administration should be mutually supportive and complementary, but believed that the law would be better without the specific provision that the House had proposed. There is evidence that the two agencies in question are working closely together now. I believe those agencies will continue to cooperate and divide responsibilities as prescribed in earlier laws, so that the provision will not be missed.

I would like to repeat the position taken by both the House and Senate authorizing committees in providing a total fiscal year 1977 authorization of $20.5 million for purposes of the Federal Fire Prevention and Control Act of 1974: The National Fire Prevention and Control Administration is still in the early stages of development. The President's budget request of $10.2 million does not allow for any growth in four of the five categories of Fire Administration expenditure and will not permit the Fire Administration to continue maturing toward a stage in which it may be expected to meet its announced goal of cutting the Nation's fire losses in half in the next generation. The $20.5 million authorization provides for funding slightly above the $14 million requested from OMB by the Department of Commerce at the beginning of the budget process, plus about $5 million for site acquisition or construction of the National Academy for Fire Prevention and Control. We believe this level of authorization is necessary and appropriate to insure that the benefit of the money already spent by the Fire Administration is realized through the establishment of an effective program.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair desires to make an announcement.

Pursuant to the provision of clause 3(b) of rule XXVII, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the

yeas and nays are ordered, or on which the vote is objected to, under clause 4 of rule XV.

After all motions to suspend the rules have been entertained and debated and after those motions to be determined by "nonrecord" votes have been disposed of, the Chair will then put the question on each motion on which the further proceedings were postponed.

EMERGENCY TECHNICAL PROVISIONS TO HIGHER EDUCATION ACT

Mr. PERKINS. Mr. Speaker, I move to suspend the rules and pass the Senate joint resolution (S.J. Res. 203) to amend the Higher Education Act of 1965, and for other purposes.

The Clerk read as follows:

S.J. RES. 203

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Emergency Technical Provisions Act of 1976".

SEC. 2. (a) The first sentence of section 424(a) of the Higher Education Act of 1965 is amended by striking out "for the fiscal year ending June 30, 1975" and inserting in lieu thereof the following: "each for the fiscal year ending June 30, 1975, for the fiscal year ending June 30, 1976, and for the period beginning July 1, 1976, and ending September 30, 1976".

Section 428(a)(5) of such Act is amended by striking out "June 30, 1975" and inserting in lieu thereof "September 30, 1976".

(c) Section 2(a)(7) of the Emergency Insured Student Loan Act of 1969 is amended by striking out "July 1, 1975" and inserting in lieu thereof "October 1, 1976".

(d) The amendments made by this section shall not be deemed to authorize the automatic extension of the programs so amended, under section 414 of the General Education Provisions Act, beyond the date specified in such amendments.

(e) For the purposes of section 446(b) of the Higher Education Act of 1965, the period beginning July 1, 1976, and ending September 30, 1977, shall be treated as one fiscal year, any other provision of law to the contrary notwithstanding.

(f) Section 411 of the Higher Education Act of 1965 is amended by inserting at the end thereof the following new subsection:

"(c) Any institution of higher education which enters into an agreement with the Commissioner to disburse to students attending that institution the amounts those students are eligible to receive under this subpart shall not be deemed, by virtue of such agreement, a contractor maintaining a system of records to accomplish a function of the Commissioner.".

The SPEAKER. Is a second demanded?

Mr. ASHBROOK. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The Chair recognizes the gentleman from Kentucky (Mr. PERKINS).

Mr. PERKINS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this resolution is identical to House Joint Resolution 984, unanimously reported by the Committee on Education and Labor last week, and is an emergency measure dealing with student aid programs.

The guaranteed student loan program is due to expire on June 30 of this year. The resolution extends the program through the transitional period—that is through September 30—without any changes in the program.

The resolution addresses a technical problem in the college work-study with respect to the transitional period and will allow for more orderly and efficient redirection of unused college work-study moneys.

Finally, Mr. Speaker, the resolution clears up an issue relative to the handling of student aid files. The resolution makes clear that colleges and universities are only required to maintain such records in conformity with the Family Educational Rights and Privacy Act rather than also with the Privacy Act of 1974.

Mr. Speaker, I want to compliment the distinguished chairman of our Subcommittee on Postsecondary Education, JAMES O'HARA, for his leadership and work on this resolution.

This has been a bipartisan effort and I want also to congratulate members of the committee on both sides of the aisle. The work of one member of our subcommittee, PAUL SIMON, of Illinois, merits particular attention. Recognizing the need to continue the insured loan program and of the enormous problems which our colleges would confront if they were required to maintain student aid files in conformity with two different statutes, he has assumed a leadership role with respect to this resolution.

Mr. Speaker, there are a few additional points which I wish to make relative to the resolution. This year all higher education programs, certain vocational education programs, and the National Institute of Education are due to expire.

The Committee on Education and Labor, with the exception of the insured loan program, has considered and processed legislation renewing and modifying these programs on a timely basis. It was our hope that all programs would have been renewed well before now. However, a comprehensive bill dealing with these programs has not as yet been considered by the full Senate. Final action has not as yet been taken in the House on the extension and major modification of the insured loan program.

It is clear that under the existing schedules, we cannot have enactment of comprehensive education legislation before July 1. This will have a severe impact on the guaranteed student loan program. Without the resolution before us, no new student could borrow under the program during the summer months and this is when a great deal of the borrowing actually occurs.

The resolution provides for a straight simple extension of the guaranteed student loan program for 90 days—that is through the transitional period. Very shortly, we will have the major legislation making improvements in the guaranteed student loan program here for full House consideration.

The second feature of the resolution is very much a technical matter. For purposes of the college work-study program, the transitional period is considered a fiscal year under the transitional legislation which has already become law. This treatment of the college work-study program is appropriate with one exception—and that is with respect to the authority to reallocate unused moneys. We are advised by the U.S. Office of Education that it is simply impossible to reallocate unused fiscal year 1976 moneys within the 90-day transitional period. Provision in the resolution would allow for this reallocation on a more orderly and efficient basis.

Finally, the resolution deals in a very important way with a matter of concern to me and I know of concern to all Members of this House. Without this resolution, there is the probability that beginning on July 1, colleges and universities will have to establish new and elaborate recordkeeping in connection with their administration of the basic educational opportunity grants program. This is because the General Counsel of the Department of Health, Education, and Welfare has interpreted the Privacy Act of 1974 as applying to colleges and universities in connection with the relatively minor role they play in the administration of that program. Repeated protests to the Department have not been heeded and it became necessary to process this resolution which clarifies the fact that colleges and universities are only required to maintain their records consistent with the Family Rights and Privacy Act adopted in the Education Amendments of 1974.

If we had not been able to clarify this matter, colleges and universities would be required to maintain two different sets of files. In all probability, many colleges would have dropped out of the BEOG program which would have had an adverse impact on the program totally and on the participation of financially needy college students.

Mr. Speaker, we were in consultation with the Government Operations Committee on this issue and the committee report on the comparable resolution (H.J. Res. 984) contains a letter from the chairman of the Government Operations Committee. That letter is applicable to the debate here today on the identical Senate joint resolution.

Mr. Speaker, this is emergency legislation as I have said. It is noncontroversial and I urge unanimous approval of it.

Mr. Speaker, I now yield such time as he may consume to the distinguished gentleman from Illinois (Mr. SIMON).

Mr. SIMON. Last week, Mr. Speaker, the Committee on Education and Labor unanimously ordered House Joint Resolution 984 reported to the House. The House joint resolution was sponsored by the chairmen and ranking minority members of the full committee, Mr. PERKINS and Mr. QUIE, and by the chairman and ranking member of the Subcommittee on Postsecondary Education, Mr. O'HARA and Mr. ESHLEMAN. Its provisions are supported by the administration. The House Committee on the Budget, being advised of the urgency of the measure, has advised the leadership that it will support this motion to suspend the rules, and the Committee on Government Operations, which had intended to request sequential referral of

the House resolution, has withdrawn that request, without prejudice. In addition to the catalog of support I have just mentioned, the postsecondary education community, through its several organizations, has indicated its strong approval of the provisions of the resolution.

Senate Joint Resolution 203 is identical in all respects to House Joint Resolution 984, as reported, and we are moving its consideration, rather than consideration of the House vehicle, in order to expedite transmission of the legislation to the President for his expected signature.

Essentially, the bill makes technical amendments to and embodies one interpretation of various parts of the Higher Education Act which are necessary in order to continue the operation of three of that act's programs during the transitional quarter beginning on July 1, and going through September 30, 1976. The programs in question—the guaranteed student loan program, the basic educational opportunity grant program, and the college work-study program, are parts of the student financial aid system operating under that act. Various substantive amendments were agreed to by this House for the basic grant and work-study programs when we enacted H.R. 12851 last month.

Those amendments will take effect after September 30. The House will soon be considering H.R. 14070, a bill to make further substantive amendments to the guaranteed loan program, which has been reported to the House, and will be considered on the floor fairly soon. The amendments made by that bill will also take effect after the beginning of the coming fiscal year. All that Senate Joint Resolution 203 does is to keep those programs moving during the transitional quarter, meeting technical problems with the legislation embodying those programs, or with the transitional quarter legislation already enacted, to prevent any unintended program lapses while we are adjusting to the new budget cycle.

Subsection 2(a) of the resolution extends for the period of the transitional quarter, the authority of the Commissioner of Education to insure new student loans during the period. Subsection 2(b) extends through September 30 his right to reinsure new loans guaranteed by State agencies, and subsection 2(c) extends for the 90 days involved the right of the Secretary of HEW to set a special allowance to be paid to the makers of such loans. Subsection 2(d) explicitly provides that none of the provisions of this resolution will trigger the automatic 1-year extension provision of the General Education Provisions Act. In other words, subsection (d) makes it certain that this resolution will only operate for the next 90 days.

None of these subsections makes any change in the structure or operation of the guaranteed student loan program. Loans made during these next 90 days will be made under the provisions of existing law with respect to interest benefits, special allowance, guarantee provisions, and the like. The enactment of this resolution will merely preserve the Congress options with respect to what we do with H.R. 14070, the substantive loan bill, to be considered later.

Subsection (e) deals with a technical problem caused by the interaction of two earlier enactments. Public Law 94–43, enacted last June, allows unused college work-study funds to be reallocated among institutions in a given State at the close of a fiscal year. The wording of that enactment allows such funds to remain available for reallocation "during the fiscal year next succeeding the fiscal year for which" the funds were appropriated.

Public Law 94–274, one of the transitional quarter adjustment bills, provided that for a great number of Federal programs, specifically including the college work-study program, the transitional quarter would be considered a fiscal year. Taken together, these two enactments mean that the Commissioner only has the 3 months of the transitional quarter in which to perform the various administrative duties involved in reallocating the unused work-study moneys from the schools which relinquish them to those which apply for them. Frankly, Mr. Speaker, the inability of the Commissioner and his staff to do this work in a period of 3 months reflects badly on the Office of Education, and the committee was tempted to tell OE to simply work a little harder. But the OE people who conferred with the committee while this resolution was being drafted indicated that they just were not able to to the job in 3 months, and the committee was not inclined to deprive students of work opportunities simply to express our disapproval of OE's leisurely work schedule. I would hope, Mr. Speaker, that the Commissioner would impress upon his staff that the committee's concern for the interests of students does not constitute an endorsement of the lackadaisical way in which, apparently, some of the schools and the Office of Education get about this reallocation process.

Subsection (f) clarifies the status of schools who act as payout agents under the basic educational opportunity grant program, by making it clear that they are not "contractors" for the purposes of the privacy act solely by virtue of their agreement with the Commissioner to pay out basic grant moneys.

The confidential financial information regarding students and their families which is gathered for the purposes of administering the BEOG program will be fully safeguarded from unauthorized disclosure by the provisions of the Family Educational Rights and Privacy Act, but the schools which serve as conduits of these funds between the Commissioner and the student will not also be subject, for this purpose, to the sometimes complementary, sometimes conflicting, requirements of the Privacy Act of 1974, and regulations promulgated thereunder.

This amendment takes away none of the basic protections afforded by these two enactments. It does remove the strong possibility that schools might be forced either to obey conflicting or redundant regulations under both acts, or let the administration of the basic grant program revert to full to the Office of Education. Considering OE's administrative record, it seemed to the committee to be in the interests of students and their families to proceed along the lines of subsection (f) of this resolution.

Mr. Speaker, as a letter in the committee report indicates, the Committee on Government Operations had originally considered requesting sequential referral of House Joint Resolution 984, in order to safeguard that committee's jurisdiction over legislation affecting the Privacy Act. While the text of these resolutions does not amend or refer to the Privacy Act, there is certainly room for argument that sequential referral might be considered appropriate were the situation less urgent than it is. However, when the chairman of the Committee on Government Operations, the gentleman from Texas (Mr. BROOKS), and the chairman of the Subcommittee on Government Information and Individual Rights, the gentlewoman from New York (Ms. ABZUG), were advised of the need for prompt floor action on all of the provisions of this bill, they graciously agreed to withhold their request for sequential referral without prejudice to the rights of the Committee on Government Operations, and without setting any precedent as to the parliamentary question involved. Our committee and, more importantly, the students whose access to student loans, grants, and work opportunities are preserved by this resolution are indebted to the gentleman from Texas and the gentlewoman from New York, and their colleagues.

Mr. ASHBROOK. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this is a minor but very necessary resolution. I concur in the remarks of the gentleman from Illinois (Mr. SIMON) and urge that the House do as our committee did—give this measure its speedy unanimous approval so that it can be signed into law before June 30.

As was explained, Senate Joint Resolution 203 is exactly the same as House Joint Resolution 984. It is necessary to pass this technical bill at this time because Congress has not yet completed action on the extension of higher education programs for next year. While most programs have already been extended through the upcoming 3-month transition quarter, one major program would effectively grind to a halt—the guaranteed student loan program.

Section 2 (a), (b) and (c) of the Senate resolution provides for the extension of the authority to insure guaranteed student loans and to make special allowance payments in connection with those loans through the transition quarter.

The extension of the guaranteed loan program, without any substantive change, is the most crucial of three parts to the resolution. Another provision will result in the effective use of already appropriated funds for the college work-study program

Last year at this time we provided that the Commissioner of Education could reallocate, within any given State, work-study funds which were not needed by some schools in order to benefit students in other schools which could use

additional funds. That process could be done during the next fiscal year.

In the meantime, Congress adopted a series of date changes in hundreds of Federal programs to accommodate the new change in fiscal years. Somehow, the transition quarter ended up being treated as an entire fiscal year for purposes of the work-study program. While that might have helped some of the administrative problems, it effectively precluded the Commissioner from exercising his reallocation authority because of the time it takes to get the funding reports from the colleges, the applications for new money, and the actual reallocation of funds. This resolution says that, for purposes of the reallocation, the transition quarter will not be considered a full fiscal year.

The third part to the resolution clarifies congressional intent on the nature of the administrative functions some 5,000 colleges perform to help students receive their awards under the basic educational opportunity grant program.

For some reason, the General Counsel's Office in HEW felt constrained to interpret these disturbing functions as "contracts" with the Federal Government. Although the agreements entered into between HEW and the colleges seem quite unlike the normal contract, this interpretation would have pulled every one of these colleges under the provisions of the Privacy Act of 1974. If that ruling held, each college would have to institute additional costly administrative procedures which apply to many Federal contractors.

Apart from whether HEW's interpretation is right or not, the important point is that these colleges are already subject to the Family Educational Rights and Privacy Act of 1974, the so-called Buckley amendment. Since colleges typically keep all student aid records together, it seems unnecessary to require them to follow different procedures for BEOG than for the other programs.

Mr. Speaker, I do not feel this amendment affects the legitimate rights to privacy that students and their parents deserve. It simply says that the administrative assistance colleges give to HEW in disbursing BEOG awards shall not be construed to be a contract, thereby freeing them from duplicative, but somewhat different, sets of regulations.

I urge each Member to support the motion.

Ms. ABZUG. Mr. Speaker, I am and always have been a strong supporter of Federal aid to higher education. As such, I favor those provisions of this resolution that extend various programs of such assistance. I think, though, that one provision of the resolution properly belongs in other legislation and I wish to explain my objection to my colleagues and to the public.

I chair the Government Information and Individual Rights Subcommittee, which has jurisdiction over the Privacy Act of 1974 and the Freedom of Information Act. I learned only a day or so before the pending legislation was to be reported that it contained a provision, section 2(f), directly affecting the Privacy Act. This provision would exempt from the coverage of the Privacy Act records under the basic educational opportunity grant program that are maintained by educational institutions on behalf of the U.S. Office of Education.

The Privacy Act grants citizens important protections with regard to the content and distribution of records relating to them. The people and the rest of the Congress look to our subcommittee to protect and maintain the rights provided in that act. Aware of the need to enact the extension legislation by June 30, but also cognizant of the responsibility of our subcommittee for the integrity of the Privacy Act, I requested that the legislation be referred to us for a brief period to permit us to consider its effects upon the Privacy Act.

I was subsequently informed of fears on the part of some members of the higher education community that even a short referral might jeopardize timely enactment of the legislation. I do not think that these fears were well grounded, but in view of them, and also in view of the fact that the records in question are already subject to the Family Educational Rights and Privacy Act, 20 United States Code 1232g, the request for referral has been withdrawn. This action should assure swift and unimpeded passage of the resolution, which has always been my intention.

This matter should have been handled differently. Legislation creating exemptions from acts such as the Privacy Act and the Freedom of Information Act belongs not in general authorization bills, but in amendments to the Privacy Act or Freedom of Information Act themselves, so that it may be considered by the committees and subcommittees having responsibility for these acts.

I do urge a vote for the passage of this legislation, but I wish to serve notice that when exemptions from the Privacy Act or the Freedom of Information Act are contained in legislation reported from other committees, it is our intention to request sequential referral to our subcommittee for consideration.

Mr. PERKINS. Mr. Speaker, I have no further requests for time.

The SPEAKER. The question is on the motion offered by the gentleman from Kentucky (Mr. PERKINS) that the House suspend the rules and pass the Senate joint resolution (S.J. Res. 203).

The question was taken.

Mr. SYMMS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER. Pursuant to the provisions of clause 3(b) of rule XXVII and the Chair's prior announcement, further proceedings on this motion will be postponed.

GENERAL LEAVE

Mr. PERKINS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the Senate joint resolution just considered.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

DISABILITY COMPENSATION FOR DISABLED VETERANS

Mr. ROBERTS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 14299) to amend title 38, United States Code, to increase the rates of disability compensation for disabled veterans; to increase the rates of dependency and indemnity compensation for their survivors; and for other purposes.

The Clerk read as follows:

H.R. 14299

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 "Veterans' Disability Compensation and Survivor Benefits Act of 1976".

TITLE I—VETERANS DISABILITY COMPENSATION

SEC. 101. (a) Section 314 of title 38, United States Code, is amended—

(1) by striking out "$35" in subsection (a) and inserting in lieu thereof "$38";

(2) by striking out "$65" in subsection (b) and inserting in lieu thereof "$70";

(3) by striking out "$98" in subsection (c) and inserting in lieu thereof "$106";

(4) by striking out "$134" in subsection (d) and inserting in lieu thereof "$145";

(5) by striking out "$188" in subsection (e) and inserting in lieu thereof "$203";

(6) by striking out "$236" in subsection (f) and inserting in lieu thereof "$255";

(7) by striking out "$280" in subsection (g) and inserting in lieu thereof "$302";

(8) by striking out "$324" in subsection (h) and inserting in lieu thereof "$350";

(9) by striking out "$364" in subsection (i) and inserting in lieu thereof "$393";

(10) by striking out "$655" in subsection (j) and inserting in lieu thereof "$707";

(11) by striking out "$52" and "$814" and "$1,139" in subsection (k) and inserting in lieu thereof "$56" and "$879" and "$1,231", respectively;

(12) by striking out "$814" in subsection (l) and inserting in lieu thereof "$879";

(13) by striking out "$896" in subsection (m) and inserting in lieu thereof "$968";

(14) by striking out "$1,018" in subsection (n) and inserting in lieu thereof "$1,099";

(15) by striking out "$1,139" in subsection (o) and (p) and inserting in lieu thereof "$1,231";

(16) by striking out "$489" in subsection (r) and inserting in lieu thereof "$528"; and

(17) by striking out "$732" in subsection (s) and inserting in lieu thereof "$791".

(b) The Administrator of Veterans' Affairs may adjust administratively, consistent with the increases authorized by this section, the rates of disability compensation payable to persons within the purview of section 10 of Public Law 85-857 who are not in receipt of compensation payable pursuant to chapter 11 of title 38, United States Code.

SEC. 102. Section 315(1) of title 38, United States Code, is amended—

(1) by striking out "$40" in subparagraph (A) and inserting in lieu thereof "$43";

(2) by striking out "$67" in subparagraph (B) and inserting in lieu thereof "$72";

(3) by striking out "$85" in subparagraph (C) and inserting in lieu thereof "$92";

(4) by striking out "$105" and "$19" in subparagraph (D) and inserting in lieu thereof "$113" and "$21", respectively;

(5) by striking out "$26" in subparagraph (E) and inserting in lieu thereof "$28";

(6) by striking out "$45" in subparagraph (F) and inserting in lieu thereof "$49";

(7) by striking out "$67" and "$19" in subparagraph (G) and inserting in lieu thereof "$72" and "$21", respectively;

(8) by striking out "$32" in subparagraph (H) and inserting in lieu thereof "$35";

(9) by striking out "$61" in subparagraph (I) and inserting in lieu thereof "$66";

(10) by redesignating subparagraph (I) as subparagraph (J); and

(11) by inserting immediately after subparagraph (H) thereof the following new subparagraph;

"(I) notwithstanding the other provisions of this subsection, the monthly payable amount on account of a spouse who is (1) a patient in a nursing home or (2) helpless or blind, or so nearly helpless or blind as to need or require the regular aid and attendance of another person, shall be $78 for a totally disabled veteran and proportionate amounts for partially disabled veterans in accordance with paragraph (2) of this subsection.".

SEC. 103. Section 362 of title 38, United States Code, is amended by striking out "$175" and inserting in lieu thereof "$187".

TITLE II—SURVIVORS DEPENDENCY AND INDEMNITY COMPENSATION

SEC. 201. Section 411 of title 38, United States Code, is amended to read as follows:

"(a) Dependency and indemnity compensation shall be paid to a widow, based on the pay grade of her deceased husband, at monthly rates set forth in the following table:

"Pay grade:	Monthly rate
E-1	$260
E-2	268
E-3	275
E-4	292
E-5	300
E-6	307
E-7	322
E-8	340
E-9	[1] 355
W-1	328
W-2	341
W-3	352
W-4	372
O-1	328
O-2	340
O-3	364
O-4	384
O-5	423
O-6	476
O-7	516
O-8	565
O-9	607
O-10	[2] 664

"[1] If the veteran served as sergeant major of the Army, senior enlisted advisor of the Navy, chief master sergeant of the Air Force, sergeant major of the Marine Corps, or master chief petty officer of the Coast Guard, at the applicable time designated by section 402 of this title, the widow's rate shall be $382.

"[2] If the veteran served as Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, or Commandant of the Marine Corps, at the applicable time designated by section 402 of this title, the widow's rate shall be $713.

"(b) If there is a widow with one or more children below the age of eighteen of a deceased veteran, the dependency and indemnity compensation paid monthly to the widow shall be increased by $31 for each such child.

"(c) The monthly rate of dependency and indemnity compensation payable to a widow shall be increased by $78 if she is (1) a patient in a nursing home or (2) helpless or blind, or so nearly helpless or blind as to need or require the regular aid and attendance of another person.".

SEC. 202. Section 413 of title 38, United States Code, is amended to read as follows: "Whenever there is no widow of a deceased veteran entitled to dependency and indemnity compensation, dependency and indemnity compensation shall be paid in equal shares to the children of the deceased veteran at the following monthly rates:

"(1) one child, $131;

"(2) two children, $189;

"(3) three children, $243; and

"(4) more than three children, $243 plus $49 for each child in excess of three.".

SEC. 203. (a) Subsection (a) of section 414 of title 38, United States Code, is amended by striking out "$72" and inserting in lieu thereof "$78".

(b) Subsection (b) of section 414 of such title is amended by striking out "$121" and inserting in lieu thereof "$131".

(c) Subsection (c) of section 414 of such title is amended by striking out "$62" and inserting in lieu thereof "$67".

TITLE III—MISCELLANEOUS

SEC. 301. (a) The Administrator of Veterans' Affairs shall conduct a scientific study to determine if there is a causal relationship between the amputation of an extremity and the subsequent development of cardiovascular disorders.

(b) The report of the study shall include (1) a comprehensive review and professional analysis of the literature covering other such studies conducted or underway of such relationship; and (2) an analysis of statistically valid samples of disability claims of veterans having service-connected extremity amputation matched by age, sex and war period with nonamputee veterans.

(c) The report, together with such comments and recommedations as the Administrator deems appropriate, shall be submitted to the Speaker of the House and the President of the Senate not later than June 30, 1977.

SEC. 302. Section 3012(b)(2) of title 38, United States Code, is amended by adding immediately before "divorce" wherever it occurs in this subsection, "annulment.".

TITLE IV—EFFECTIVE DATE

SEC. 401. The provisions of this Act shall become effective on October 1, 1976.

The SPEAKER. Is a second demanded?

Mr. HAMMERSCHMIDT. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The gentleman from Texas (Mr. ROBERTS) is recognized for 20 minutes.

Mr. ROBERTS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, through the years, the Congress has accorded a special status to those veterans who have suffered disabilities during their period of service and to the survivors of those veterans who have died as a result of disability so incurred.

The Veterans' Administration disability compensation program currently provides income for 2,230,965 veterans who have service-connected disabilities. Of this number, about 50,421 are disabled World War I veterans; 1,290,439 World War II veterans; 239,800 Korean conflict veterans, and 454,741 Vietnam era veterans.

The disability compensation program, throughout its modern history, has been designed to provide relief for the impaired earning capacity of veterans disabled as the result of their military service. The amount payable varies according to the degree of disability which, in turn, is required by the law—38 U.S.C. 355—to represent, to the extent practicable, the average impairment in earning capacity resulting from such disability or combination of disabilities in civil occupations. Additional compensation for dependents is payable to any veteran entitled to basic compensation for disability rated at not less than 50 per centum.

Since the disability compensation program was first established, the Congress has periodically reviewed the rates of compensation provided as to their adequacy, and has made adjustments when such were deemed necessary. The rates of such compensation were last increased by Public Law 94-71, effective August 1, 1975.

The current program of benefits for survivors of veterans who have died from service-connected conditions was established in 1957. In similar manner, the Congress has periodically reviewed the adequacy of the DIC rates for survivors and has made appropriate adjustments. The DIC payments for widows and children were last increased effective August 1, 1975, by Public Law 94-71.

As of April 30, 1976, the percentage change in the Consumer Price Index since August 1—the date of the last disability compensation increase—was 3.6 percent: Using the economic assumptions and estimates of the Congressional Budget Office, at the end of September the cost of living will have risen about 6.08 percent since rates were last increased, August 1, 1975, and by the end of calendar year 1976, it will have increased about 7½ percent.

It should be noted, Mr. Speaker, that in his budget submission for fiscal year 1977, the President proposed no funds for cost-of-living basic rate increases in the disability compensation program for service disabled veterans or in dependency and indemnity compensation for the surviving widows and orphans of veterans who die of service-connected causes. When the Committee on the Budget reported its first concurrent resolution, it also failed to include in its targets any increases for compensation and DIC benefits. Although the Budget Committee failed to include additional funding authority for cost-of-living increases the committee stated in its report:

> The President's budget excludes funds for cost-of-living increases for all veterans entitlement programs, although the budget does not deny cost-of-living increases for benefit programs indexed by law to the cost of living. Enactment of legislation to provide cost-of-living increases to veterans is both equitable and inevitable, and the Budget Committee favors such action.
>
> However, the committee's recommendations in this function do not include the estimated $1.2 billion required for such increases (for compensation, pension and readjustment benefits). The purpose is a deceptive budget practice and urges the President to submit a budget amendment to fund these cost-of-living increases. The committee supports such an amendment.

The administration failed to submit such budget amendment.

During floor consideration of the first concurrent resolution an amendment was accepted to add $1.2 billion in new budget authority and outlays for cost-of-living increases for compensation, pension, and readjustment benefits, thus in-

suring equity for the disabled veterans and their survivors in order that their sources of livelihood might keep pace with those other Federal programs automatically indexed by law to the Consumers Price Index.

The first concurrent resolution adopted by Congress contains authority to provide the cost-of-living increase provided for in the reported bill and although the President failed to include such increases in his budget, in reporting on a bill to provide an 8-percent cost-of-living increase the Administrator informed the chairman of your committee in a letter dated May 10, 1976, that the administration would support an increase commensurate with the actual "change in the cost of living from August 1, 1975, the date benefits were last increased, to September 30, 1976." To prevent an erosion of purchasing power, the reported bill provides a percentile increase approximately 8 percent across the board in existing disability compensation rates and rates of additional compensation paid veterans rated 50 to 100 percent disabled for their dependents. The rates of dependency and indemnity compensation paid widows and children of veterans dying of service-connected causes are also increased by the same 8 percent.

The bill contains a new provision addressed to the needs of a few service-connected veterans rated 50 percent or more disabled who have spouses who are patients in a nursing home or who are so helpless as to require the regular aid and attendance of another person. This provision would pay additional compensation at a base rate of $78 for the 100 percent disabled, proportionately less to the 50 to 90 percent disabled. This rate is in lieu of, not in addition to, the $43 rate recommended in the bill for a spouse not so disabled.

Also included in the bill is the requirement that the Administrator conduct a scientific study to determine if there is a causal relationship between the amputation of an extremity and the subsequent development of cardiovascular disorders.

The final provision of the bill includes "annulment" as a form of dissolution of a marriage in application of the so-called end-of-the-year rule governing reductions and terminations of compensation, dependency and indemnity compensation or pension as a result of such event.

Mr. Speaker, the fiscal year cost of the reported bill is estimated to be approximately $393 million, declining slightly each year to $388.3 million in fiscal year 1981. The bill is not inflationary in that it simply provides cost-of-living increases to offset inflation since the rates were last increased in August of 1975.

The bill is strongly supported by every major veterans' organization.

Mr. Speaker, I commend my distinguished colleague from Mississippi, the very able chairman of our Subcommittee on Compensation, Pension, and Insurance, and the distinguished gentleman from Ohio, the ranking minority member of the subcommittee (Mr. WYLIE), for their leadership in getting this legislation before the House so early in the year. I also want to thank the very able ranking minority member of the full committee, the distinguished gentleman from Arkansas. He continues to devote maximum time and energy in looking after the affairs of our veterans and their families. I am grateful for the commitment of all our members and the support I receive from each of them in getting meaningful legislation to the House.

On behalf of our service-connected disabled veterans and their families who will benefit greatly from this legislation, I hope it will receive unanimous approval by the House.

Mr. Speaker, I yield such time as he may consume to the very able chairman of the Subcommittee on Compensation, Pension, and Insurance, the distinguished gentleman from Mississippi (Mr. MONTGOMERY.)

Mr. MONTGOMERY. Mr. Speaker, H.R. 14299, as reported, would provide cost-of-living increases for service-connected disabled veterans and eligible dependents. These rates were last increased August 1, 1975. Based on various economic assumptions, the Committee on the Budget has estimated that from August 1, 1975 through September 30, 1976, the cost of living will increase by 6.08 percent, and by December 31, it will have increased by about 7.5 percent.

Although the President did not propose any increase in his fiscal year 1977 budget for veterans disabled as a result of their military service, and their eligible dependents, spokesmen for the Veterans' Administration testified during hearings on the reported bill that the administration now favors an increase commensurate with the actual change in the cost of living from August 1, 1975, to the effective date of the proposed rate increases in the reported bill. Although the administration continues to oppose any increase in the special so-called (K) award.

Since the cost of living is expected to increase by 7.5 percent between August 1, 1975—the date of the last rate increase—and December 31, 1976, our committee feels an 8-percent rate increase effective October 1 is justified. When we submitted our proposed budget to the Budget Committee in mid-March, we felt an 8-percent increase would be necessary based on economic trends at that time and the projections thus far have been fairly accurate.

Mr. Speaker, a detailed section-by-section summary of the bill is included in the committee report; therefore, I will not take the time to go into the specifics of the bill. Basically, it would provide for the following:

First. An 8-percent rate increase for disability compensation for service-connected veterans and dependency and indemnity compensation for widows and children of veterans who die of a service-connected disability.

Second. An 8-percent rate increase for all so-called statutory awards relating to amputation and other more serious disabilities.

Third. Increases from $175 to $187 the annual clothing allowance for veterans whose service-connected disabilities require the wearing or use of prosthetic or orthopedic appliances.

Fourth. Increases from $72 to $78 monthly the widow's additional aid and attendance allowance.

Fifth. Pays additional compensation to the disabled service-connected veterans rated 50 percent or more who has a spouse who is a patient in a nursing home, or who is so helpless as to need regular aid and attendance.

Sixth. Requires the Administrator of Veterans' Affairs to conduct a scientific study to determine if there is a causal relationship between the amputation of an extremity and the subsequent development of cardiovascular disorders.

Seventh. Would include "annulment" as a form of dissolution of a marriage in application of the so-called end-of-the-year rule in establishing the effective date of a reduction or discontinuance of compensation, dependency and indemnity compensation, or pension as a result of such action.

The provisions of the bill would become effective October 1, 1976.

The Veterans' Administration has estimated that the cost of the bill in fiscal year 1977 would be approximately $393 million, declining slightly each year to about $388 million in fiscal year 1981.

Finally, Mr. Speaker, it should be noted that the cost of the reported bill is included in the targets established by the first concurrent resolution for veterans' benefits and services and is within the allocation of budget totals to the Subcommittee on Compensation, Pension, and Insurance as reported pursuant to section 302(b) of the Congressional Budget Act of 1974.

Mr. Speaker, this bill provides increased rates of disability compensation for service-connected veterans and dependency and indemnity compensation for widows and children of veterans dying of service-connected disabilities to more than 2,500,000 individuals, and should receive the overwhelming support of the House.

Mr. HAMMERSCHMIDT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 14299, a bill to increase monthly payments to service-connected disabled veterans and the survivors of those who died of service-related causes. I concur with the remarks of our distinguished chairman, the gentleman from Texas (Mr. ROBERTS).

At the outset, I want to compliment the gentleman from Mississippi (Mr. MONTGOMERY) and the gentleman from Ohio (Mr. WYLIE), the chairman and ranking minority member of the subcommittee, respectively, for bringing this meritorious bill to the floor.

This measure, Mr. Speaker, will authorize an approximate increase of 8 percent in the rates of compensation payable for service-connected disabilities.

The dependency allowance payable to veterans who are rated at least 50 percent disabled is also increased by 8 percent.

Dependency and indemnity compensation payments to widows and children

of veterans who died of service-connected causes are also increased by 8 percent under terms of the bill.

Veterans who are 50 percent or more disabled, having a spouse who is so disabled as to require the aid and attendance of another person are entitled to a new dependency allowance at a higher rate than that previously mentioned.

Finally, Mr. Speaker, the bill requires the Administrator of Veterans' Affairs to conduct a study to determine whether or not there is a causal relationship between amputation and cardiovascular disorders.

Mr. Speaker, this Congress has always assigned a high priority to benefits for the group to whom this Nation owes so much—the service-connected disabled veteran and the survivors of those who died in the cause of freedom. The projected cost-of-living spiral dictates the need for this increase.

Despite the fact that the budget prepared by the Office of Management and Budget as well as the budget resolution presented by our own Committee on the Budget failed to include funds for this needed cost-of-living increase, this body, just a few weeks ago, voted to add to the budget resolution the funds needed to provide these increases. Mr. Speaker, this body has thus mandated us to provide these adjustments in service-connected veterans' and survivor benefits. I shall vote for this measure, not only because I am a cosponsor, but because it is merited. I urge that it be passed.

Mr. Speaker, I yield such time as he may consume to the gentleman from Ohio (Mr. WYLIE), the ranking minority member on the subcommittee.

Mr. WYLIE. Mr. Speaker, I thank the gentleman from Arkansas for yielding me this time and for his generous complimentary remarks.

Mr. Speaker, it is with a great sense of responsibility that I rise in support of the two veterans bills before us today that provide cost-of-living benefit increases to our deserving veterans and their dependents and survivors. As the ranking minority member of the Subcommittee on Compensation, Pension, and Insurance, and as a cosponsor of this legislation, I am fully aware of the many difficult economic hardships faced by disabled veterans, veteran pensioners, and survivors and dependents, due to the insidious erosion of their purchasing power by the inflation which has primarily been caused by Federal deficit spending. These worthy beneficiaries have a most difficult time making ends meet under the most stable of economic circumstances, and the reduction of their real purchasing power by inflationary pressures can be truly devastating as they attempt to maintain a modest standard of living on a limited fixed income. Since shortsighted congressional fiscal policies have caused the declining value of the dollar that makes this legislation necessary, it is only fitting that we should respond today and pass this remedial legislation. I only hope that in the future the Congress can learn to use the new budget procedures in such a manner that such cost-of-living adjustments will become unnecessary and the committee can then deal with increases based on improving the veterans' position in real terms without having large quantities of the funding allocated to the committee tied up compensating for inflation when this money could be put to far more effective usage for all our veterans.

Mr. Speaker, H.R. 14299 will provide an 8 percent increase in benefits for disability compensation for veterans with service-connected disabilities, statutory awards for multiple disabilities, for dependents of veterans rated 50 percent or more disabled, and for widows and children DIC payments.

The bill also provides a $12 monthly increase for prosthetic and orthopedic appliances and a $6 monthly raise for widows aid and assistance. In addition, the measure mandates that the Veterans' Administration study the causal relationship between extremity amputations and cardiovasular disorders.

There is a new provision increasing compensation to veterans at least 50 percent disabled with a spouse in a nursing home or who requires regular aid and attendance. This measure deserves the support of every Member of this Chamber.

Mr. HAMMERSCHMIDT. Mr. Speaker, I yield such time as she may consume to the gentlewoman from Massachusetts (Mrs. HECKLER).

Mrs. HECKLER of Massachusetts. Mr. Speaker, I am pleased to be a cosponsor of H.R. 14299, the Veterans' Disability Compensation and Survivor Benefits Act of 1976.

This bill provides for an 8-percent cost-of-living increase in disability compensation rates for service-connected disability compensation rates for service-connected veterans and in dependency and indemnity compensation rates for the survivors of veterans who died of service-connected disabilities. Designed to go into effect on October 1, 1976, it grants a percentage increase which is generally in line with economic projections of the cost-of-living for the period August 1, 1975, through September 30, 1976.

All of us are aware that our Nation's disabled veterans have made supreme sacrifices for this country. In granting them this cost-of-living increase, we can demonstrate not only our recognition of their service contributions, but also our concern for their economic needs. I urge my colleagues to demonstrate both their recognition and concern, by voting aye for H.R. 14299.

Mr. HAMMERSCHMIDT. Mr. Speaker, I yield such time as he may consume to the gentleman from South Dakota (Mr. ABDNOR).

Mr. ABDNOR. Mr. Speaker, I thank the gentleman from Arkansas for yielding me this time.

Mr. Speaker, I also rise in strong support of this bill, of which I am a cosponsor, to increase rates of compensation for our Nation's service-connected disabled veterans.

Following hearings on May 14 at which I presented testimony, a draft bill was unanimously reported to the full committee. This bill, H.R. 14299, was then unanimously ordered reported by the full committee. It will provide for an approximate 8-percent increase in the basic compensation rates for service-connected disabled veterans. In addition, it will increase the annual clothing allowance from $175 to $187 for those service-connected disabled veterans requiring prosthetic or orthopedic appliances.

This proposed legislation also provides for an 8-percent increase in the dependency and indemnity compensation rates for widows and children of veterans who died of a service-connected disability.

These 8-percent increases in both compensation and dependency and indemnity compensation will become effective on October 1, 1976. The last increase in these benefits occurred on August 1, 1975. Therefore, with the increases in the cost of living since last year, it is necessary that we provide this increase in compensation and DIC benefits. It is these veterans, their widows and children to whom this country owes a deep debt of gratitude. These veterans died or became disabled fighting for the principles for which this Nation stands. Thus, we must make sure that these veterans, their widows and children are provided with the care which they deserve.

Therefore, I urge my colleagues to unanimously pass this proposal to assist our Nation's service-connected disabled veterans and their dependents.

Mr. HAMMERSCHMIDT. Mr. Speaker I yield such time as he may consume to the gentleman from Ohio (Mr. ASHBROOK.

Mr. ASHBROOK. Mr. Speaker, I rise in strong support of H.R. 14299, the Veterans Disability Compensation and Survivor Benefits Act of 1976. This bill will provide needed increases in the rates of disability compensation for disabled veterans and the rates of dependency and indemenity compensation for their survivors.

The disability compensation program currently provides income for approximately 2,230,000 veterans who have service-connected disabilities. This includes more than 50,000 World War I veterans, 1,290,000 World War II veterans, 239,000 Korean conflict veterans and 454,000 Vietnam veterans.

Disabled veterans need and deserve this program. It provides a measure of relief for those who have impaired earning power as a result of injuries sustained while serving their country.

Inflation, however, has continued to erode the value of the income received from that program. The Consumer Price Index has risen in the neighborhood of 4 percent since the last increase in August of 1975.

To correct the erosion of purchasing

power, the bill before us provides about an 8-percent increase in existing disability compensation rates. In addition, the rates of dependency and indemnity compensation would also be increased by 8 percent.

I strongly urge the passage of H.R. 14299. Disabled veterans and their survivors need this cost-of-living increase.

Mr. HAMMERSCHMIDT. Mr. Speaker, I yield such time as he may consume to the gentleman from Massachusetts (Mr. CONTE).

Mr. CONTE. Mr. Speaker, I rise in strong support of this legislation and commend the committee for its efforts in bringing forth this fine piece of legislation.

Mr. Speaker, I rise in support of this bill to increase the levels of benefits under the veteran's disability compensation programs. During my years of service in the Congress I have done everything I could to promote the cause of the veteran, because I honestly believe that the cause of America is best served thereby. I am, therefore, pleased to support this measure which recognizes the thanks and obligation we owe to our veterans with service-connected disabilities.

Since World War I, veterans have received compensation for service-connected disabilities. In addition to a basic compensation allowance, veterans with serious multiple disabilities are provided with higher benefit awards and those who are deemed to be at least 50 percent disabled receive additional allowances for each dependent. The families of veterans who die from service-connected disabilities qualify for dependency and indemnity compensation—DIC—which is based on the veteran's pay grade at the time of death.

The Congress periodically reviews these programs in order to raise benefits to reflect increases in the cost of living. The most recent increases were granted in August 1975; the bill before us takes account of the inflation which has occurred since then, providing an 8-percent increase in benefits under the programs which I have already mentioned.

Mr. Speaker, throughout the years the Congress has accorded a special status to those veterans who have suffered disabilities during their period of service and to survivors of those veterans who have died as a result of such disabilities. It is appropriate that we do this, in gratitude for the tremendous sacrifices made in defense of our country. No amount of money can adequately repay our disabled veterans for the sacrifices they have made. In a sense, disabled veterans' can never represent more than a token of thanks from a grateful Nation.

But while we can never completely repay our debt to disabled veterans and their survivors, we can try to make sure that they are treated with the special status they deserve. We can try to make sure that our disabled veterans receive a decent level of support.

We must also make sure that the purchasing power of the support we provide is not eroded by increases in the cost of living. The 8-percent increase in benefits provided in this bill is designed to prevent such erosion, and I strongly urge my colleagues to join me in wholeheartedly endorsing its passage.

Mr. TEAGUE. Mr. Speaker, as a member of the Committee on Veterans' Affairs and the Subcommittee on Compensation, Pension, and Insurance, which reported H.R. 14299, I not only strongly support its passage, but urge its approval by my colleagues. The Congress has historically increased veterans' benefit programs whenever there has been an appreciable increase in the cost-of-living index. Service-connected compensation rates and the dependency and indemnity compensation benefits payable to widows and children of veterans that have died as a result of a service-incurred disability were last increased August 1, 1975, H.R. 14299 proposes to provide an 8-percent cost-of-living increase in the benefits effective October 1, 1976. The percentage of increase in the cost-of-living index since the previous compensation and DIC increase of August 1, 1976, and the projected increase in the cost-of-living index for the rest of this year fully justifies the cost-of-living increase proposed by H.R. 14299.

I know of no group, Mr. Speaker, more deserving of the benefits which they receive from the Federal Government, and an adequate cost-of-living increase in such benefits, than the veterans who are suffering from service-incurred disabilities, and the widows and orphans of those who died as a result of their service-incurred disability.

There are many, Mr. Speaker, who strongly feel that veterans suffering from amputation of an extremity are prone to develop a cardiovascular disorder. This bill would require the Administrator of the Veterans' Affairs to conduct a scientific study to determine if there is a causal relationship between the amputation of an extremity and the subsequent development of cardiovascular disorders. I strongly believe, Mr. Speaker, that this is one of the very important provisions of this bill, and can possibly be extremely beneficial to many seriously disabled veterans. This bill, Mr. Speaker, deserves, and I believe will receive the unanimous support of each Member of the House.

Mr. FREY. Mr. Speaker, since first elected to Congress, I have been very aware and involved with the plight of our World War I veterans and their families. I have sponsored legislation and testified on behalf of these veterans in hopes of providing an unrestricted pension of $135 per month for single veterans or widows without dependents and $150 per month for married veterans or widows with dependents. The veterans package bill before us today is, frankly, not all I had hoped for. The measure provides a 25-percent increase to the regular pension rates for eligible veterans 80 or older plus a 15-percent boost for aid and attendance for the same over-80 veterans. However, this legislation is a good start after a long, uphill battle. My efforts will not stop here: I will continue to fight until all veterans and their dependents are awarded fair and equitable benefits.

I have heard from veterans and their widows from all parts of the country expressing the many financial hardships they suffer—whether it be the high cost of food, rent, medical expenses, or just meeting daily bills. They are counting on us to afford them the benefits they so justly deserve. We cannot turn our backs on them any longer. It is now time for the country to answer the call of the World War I veterans for it is indeed their time of need.

Mr. O'BRIEN. Mr. Speaker, I rise in support of the Veterans Disability and Survivors Benefits Act of 1976, H.R. 14299.

This bill provides for an 8-percent cost-of-living increase in the compensation rates for service-connected disabilities payable to our veterans and a like increase to the widows and dependent children of the veteran whose death was causally related to his service connected disability. Also included in the compensation increases are the special awards payable for the loss or loss of use of extremities, blindness, and certain other conditions of more serious nature.

Of particular importance to the service connected amputee is the provision of this bill which requires the Administrator of Veterans' Affairs to conduct a scientific study of any causal relationship that may exist between amputations and cardiovascular disorders that develop subsequently. A finding that such a relationship does exist would be of great consequence to the veteran and to his surviving widow and children.

Another provision of this bill awards a special allowance to a veteran rated at 50 percent or more where his wife is so disabled as to require regular aid and attendance. The amount would be in proportion to the rating with the maximum of $78 a month payable to the veteran rated at 100 percent.

For the veteran whose clothing is subject to undue wear, because of a prosthetic device he must employ, the annual clothing allowance will be increased from $175 to $187.

The effective date of this legislation will be October 1, 1976.

I favor this bill because I consider that veterans suffering from service-connected disabilities have the highest priority, and the monetary benefits paid to them should keep pace with the costs of living.

Mr. HAMMERSCHMIDT. Mr. Speaker, I have no further requests for time and I reserve the balance of my time.

GENERAL LEAVE

Mr. ROBERTS. Mr. Speaker, I ask unanimous consent that all Members

may have 5 legislative days in which to revise and extend their remarks on the subject of this legislation, H.R. 14299.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. ROBERTS. Mr. Speaker, I have no further requests for time and I reserve the balance of my time.

The SPEAKER pro tempore (Mr. McFALL). The question is on the motion offered by the gentleman from Texas (Mr. ROBERTS) that the House suspend the rules and pass the bill H.R. 14299.

The question was taken.

Mr. CRANE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER. Pursuant to clause 3 of rule XXVII, and the Chair's prior announcement, further proceedings on this motion will be postponed.

VETERANS AND SURVIVORS PENSION ADJUSTMENT ACT OF 1976

Mr. ROBERTS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 14298) to amend title 38 of the United States Code in increase the rates of disability and death pension and to increase the rates of dependency and indemnity compensation for parents, and for other purposes, as amended.

The Clerk read as follows:

H.R. 14298

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 "Veterans and Survivors Pension Adjustment Act of 1976".

TITLE I—EXTENSION OF CERTAIN INTERIM ADJUSTMENTS OF PENSION AND OF DEPENDENCY AND INDEMNITY COMPENSATION RATES UNTIL JANUARY 1, 1977

SEC. 101. Sections 102, 103, 104, 105, 107, 201, and 202 of Public Law 94–169 (89 Stat. 1014) are each amended by striking out "for the period beginning January 1, 1976, and ending September 30, 1976" and inserting in lieu thereof "January 1, 1976".

TITLE II—VETERANS' AND SURVIVORS' PENSIONS

SEC. 201. Section 502(a) of title 38, United States Code, is amended by inserting immediately after "or older" the following: "or became unemployable after age 65,".

SEC. 202. Section 521 of title 38, United States Code, is amended—

(1) by amending the table in section (b)(1) to read as follows:

"The monthly rate of pension shall be $185 reduced by—	For each $1 of annual income	
	Which is more than	But not more than—
$0.00	0	$300
.03	$300	500
.04	500	700
.05	700	900
.06	900	1,500
.07	1,500	1,800
.08	1,800	3,540";

(2) by striking out "$3,300" in subsection (b)(3) and inserting in lieu thereof "$3,540".

(3) by amending the table in subsection (c)(1) to read as follows:

"The monthly rate of pension for a veteran shall be— $199 if he or she has one dependent; $204 if he or she has two dependents; and $209 if he or she has three or more dependents; reduced by—	For each $1 of annual income	
	Which is more than—	But not more than—
$0.00	0	$500
.02	$500	700
.03	700	1,100
.04	1,100	2,400
.05	2,400	3,100
.06	3,100	3,500
.07	3,500	3,700
.08	3,700	4,760";

(4) by striking out "$4,500" in subsection (c)(3) and inserting in lieu thereof "$4,760";

(5) by amending subsection (d) to read as follows:

"(d)(1) If the veteran is in need of regular aid and attendance, the monthly rate payable to such veteran under subsection (b) or (c) shall be increased by $155.

"(2) In any case in which—

"(A) any veteran is denied pension under subsection (b) or (c) of this section solely for the reason that his annual income exceeds the maximum income limitation set forth in such subsection, or

"(B) payment of pension to any veteran under such subsection (b) or (c) is discontinued for such reason,

and such veteran is in need of aid and attendance, such veteran shall be entitled to a monthly rate of $155 reduced by 16.6 per centum for each $100, or portion thereof, by which the veteran's annual income exceeds the applicable maximum annual income limitation; but no monthly rate shall be payable under this paragraph if the veteran's annual income exceeds such limitation by more than $500.".

(6) by striking out "$53" in subsection (e) and inserting in lieu thereof "$57"; and

(7) by adding at the end thereof the following new paragraph:

"(h) The rate of pension payable to any veteran receiving benefits under subsections (b), (c), (d), and (e) of this section shall be increased by 25 per centum beginning on the first day of the month during which the veteran attains age 80.".

SEC. 203. Section 541 of title 38, United States Code, is amended—

(1) by amending the table in subsection (b)(1) to read as follows:

"The monthly rate of pension shall be $125 reduced by—	For each $1 of annual income	
	Which is more than—	But not more than—
$0.00	0	$300
.01	$300	600
.03	600	900
.04	900	1,200
.05	1,200	2,300
.06	2,300	3,540";

(2) by striking out "$3,300" in subsection (b)(3) and inserting in lieu thereof "$3,540";

(3) by amending the table in subsection (c)(1) to read as follows:

"The monthly rate of pension shall be $149 reduced by—	For each $1 of annual income	
	Which is more than—	But not more than—
$0.00	0	$700
.01	$700	1,100
.02	1,100	1,700
.03	1,700	2,500
.04	2,500	3,300
.05	3,300	4,760";

(4) by striking out "$4,500" in subsection (c)(2) and inserting in lieu thereof "$4,760"; and

(5) by striking out "$22" in subsection (d) and inserting in lieu thereof "$24".

SEC. 204. Section 542 of title 38, United States Code, is amended—

(1) by striking out "$53" and "$22" in subsection (a) and inserting in lieu thereof "$57" and "$24", respectively; and

(2) by striking out "$2,700" in subsection (c) and inserting in lieu thereof "$2,890".

SEC. 205. Section 544 of title 38, United States Code, is amended by striking out "$69" and inserting in lieu thereof "$74".

SEC. 206. Section 4 of Public Law 90–275 (82 Stat. 68) is amended to read as follows:

"SEC. 4. The annual income limitations governing payment of pension under the first sentence of section 9(b) of the Veterans' Pension Act of 1959 hereafter shall be $3,100 and $4,460 instead of $2,900 and $4,200, respectively.".

TITLE III—DEPENDENCY AND INDEMNITY COMPENSATION FOR PARENTS

SEC. 301. Section 415 of title 38, United States Code, is amended—

(1) by amending the table in subsection (b)(1) to read as follows:

"The monthly rate of dependency and indemnity compensation shall be $142 reduced by—	For each $1 of annual income	
	Which is more than—	But not more than—
$0.00	0	$800
.03	$800	1,000
.04	1,000	1,200
.05	1,200	1,400
.06	1,400	1,600
.08	1,600	3,540";

(2) by striking out "$3,300" in subsection (b)(3) and inserting in lieu thereof "$3,540";

(3) by amending the table in subsection (c)(1) to read as follows:

"The monthly rate of dependency and indemnity compensation shall be $100 reduced by—	For each $1 of annual income of such parent	
	Which is more than—	But not more than—
$0.00	0	$800
.02	$800	1,100
.04	1,100	1,300
.05	1,300	2,300
.06	2,300	3,540";

(4) by striking out "$3,300" in subsection (c)(3) and inserting in lieu thereof "$3,540";

(5) by amending the table in subsection (d)(1) to read as follows:

"The monthly rate of dependency and indemnity compensation shall be $96 reduced by—	For each $1 of the total combined annual income	
	Which is more than—	But not more than—
$0.00	0	$1,000
.02	$1,000	2,100
.03	2,100	3,100
.04	3,100	3,800
.05	3,800	4,760";

(6) by striking out "$4,500" in subsection (d)(3) and inserting in lieu thereof "4,760"; and

(7) by striking out "$69" in subsection (h) and inserting in lieu thereof "$74".

TITLE IV—MISCELLANEOUS AND EFFECTIVE DATE PROVISIONS

SEC. 401. Section 322(b) of title 38, United States Code, is amended by striking out "$69" and inserting in lieu thereof "$74".

SEC. 402. Subsection 102(a)(2) of title 38, United States Code, is amended to read as follows:

"(2) Dependency of a parent shall not be denied (A) solely because of remarriage, or (B) in any case in any State where the monthly income for a mother or father does not exceed minimum levels which the Administrator shall prescribe by regulation, giving due regard to the marital status of the mother or father and additional members of the family whom the mother or father is under a moral or legal obligation to support.".

Sec. 403. Chapter 51 of title 38, United States Code, is amended as follows:

(1) the analysis of subchapter I is amended by adding at the end the following:

"3006. Furnishing of information by other agencies.";

and

(2) subchapter I is amended by adding at the end thereof the following new section:

"§ 3006. Furnishing of information by other agencies

"The head of any Federal department or agency shall provide such information to the Administrator as he may request for purposes of determining eligibility for or amount of benefits, or verifying other information with respect thereto.".

SEC. 404. (a) The provisions of this Act, other than titles II and III and section 401, shall take effect on the date of the enactment of this Act.

(b) Titles II and III and section 401 of this Act shall take effect January 1, 1977.

The SPEAKER pro tempore. Is a second demanded?

Mr. HAMMERSCHMIDT. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Texas (Mr. ROBERTS) and the gentleman from Arkansas (Mr. HAMMERSCHMIDT) will each be recognized for 20 minutes.

The Chair recognizes the gentleman from Texas (Mr. ROBERTS).

Mr. ROBERTS. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, pension history in the United States starts with the Revolutionary War. Prior to that time, colonial provisions for veterans had taken the form of compensation only. Pension history of the Revolutionary War consists of two parts: First, half pay for life for Revolutionary War officers—which caused much difficulty for the Continental Congress and much furor among the population—and second, the limited service pension legislation of 1818, which, together with the amending and liberalizing acts which followed, established the precedent for the present pension program.

The non-service-connected pension we have today was first created in 1933. Its purpose is to provide financial assistance based upon need to veterans who have had at least 90 days of honorable service during time of war and who become totally and permanently disabled for employment purposes as a result of disabilities not related to their military service. A veteran 65 years of age or over, is presumed to meet the disability requirements for the payment of pension. In view of the need concept of the pension program, it has always contained an income limitation, which is currently $4,500 a year for a claimant with dependents or $3,300 a year for a claimant without dependents, and is further devised to pay benefits on a graduated scale whereby the person with the least income, and obviously the one with the greater need, receives the greater rate of pension.

Non-service-connected death pension is payable to widows of war veterans who die as a result of non-service-connected disabilities. The widow must meet income requirements similar to those for veterans although there are no disability requirements for a widow to receive non-service-connected death pension.

The pension program in effect prior to July 1, 1960, and which is commonly referred to as the "old" pension law, provided one rate of pension—$78.75 monthly if the veteran was 65 years of age or older or had been on the pension rolls for 10 years, otherwise $66.15 monthly, regardless of the amount of the veteran's income so long as it did not exceed the maximum income limitation. Under the so-called "old" pension law neither the income of the veteran's spouse nor railroad retirement were considered as income.

The current pension program which pays benefits on a graduated scale based on income, became effective July 1, 1960, with the enactment of Public Law 86–211. Under the current program, there is no exclusion or waiver of any type of retirement income such as existed under the "old" law, although the Veterans Administration only considers 90 percent of a person's social security or other retirement annuities in determining income. No earned income of the veteran's spouse is considered as the veteran's income; however, all unearned income of the spouse in excess of $1,200 a year, and which would be available to the veteran for his maintenance, is considered as his income for pension purposes.

Mr. Speaker, the main complaint received by the Committee in reference to the non-service-connected pension program is the fact that social security is considered as income for pension purposes and that when a person receives an increase in other income—mainly social security—it often results in a reduction in a veteran's pension. Numerous bills are introduced in the Congress each year to exclude the counting of social security or other special income. The committee has continued to reject these bills on the basis that in determining need, which is the principal concept of the pension program, it is the amount of income a claimant has rather than its source that is important. Persons receiving pension benefits have incomes from a great variety of sources such as social security, railroad retirement, Federal civil service retirement, State and municipal retirement, teachers' retirement, police and firemen's pension plans, business and union pension plans, dividends, interest, income from rental property, numerous private pension programs and many others.

To exclude one type of income, such as social security, would have the effect of providing preferential treatment for recipients of that income and discriminating against persons with equal income derived from other sources. It seems obvious that should legislation ever be approved to exclude one type of income, the Congress would receive, in my opinion, many valid complaints from persons with incomes from other sources, and I can assure my colleagues that such complaints were experienced in the 1950's when railroad retirement was excluded as income for pension purposes.

The cost of any such exclusion must also be considered. According to the Veterans' Administration, the cost of legislation that would exclude all social security payments for pension purposes would be in excess of $4 billion a year. Obviously with the budget situation we are faced with at the moment, this simply cannot be done.

In addition to the basic rate of pension payable to veterans, under current law, additional benefits are paid as follows: First, if a veteran is suffering from disabilities of sufficient severity that he is considered to be housebound, he is entitled to an additional $53 per month; second, if he is a patient in a nursing home or his disabilities are of such severity as to require the constant assistance of another, he is entitled to a special aid-and-attendance allowance of $133 per month; and third, a widow who meets the requirements for the aid-and-attendance allowance is entitled to an additional $69 per month.

Last year Congress passed H.R 10355, which became Public Law 94–169, the Veterans and Survivors Pension Interim Adjustment Act of 1974. Among other things, it provided an 8-percent increase in pension rates for eligible veterans and their survivors and raised the maximum annual income limitations by $300 to be effective January 1, 1976 through September 30, 1976.

The reported bill, H.R. 14298, would make permanent the "interim" 8-percent rate increases and the $300 annual income limitation increases from October 1, 1976 and would provide, effective January 1, 1977, for a further cost-of-living increase in rates of 7 percent with appropriate increases in annual income limitations.

The Consumer Price Index has risen 1.1 percent since the pension rates were last adjusted, January 1, 1976. The Committee on the Budget has advised that based on its projections of the Consumer Price Index as it expects a 6.4-percent quarter-to-quarter increase in 1976 over 1975, with a final increase year end to year end of approximately 5.7 percent. Social security payments are being increased by 6.4 percent effective with July checks. Since the proposed increases in the reported bill would become effective January 1, 1977, the 7 percent rate increase would serve to offset expected increases in the Consumer Price Index for all of calendar year 1976 and would be responsive to the real increases in income of pensioners from other Federal income maintenance programs which are indexed to the Consumer Price Index.

The reported bill's increases in maximum rates of 7 percent will be spread

by the formula throughout the range of payments relating to each dollar level of other income.

Since pension rate increases standing alone would not benefit the relatively few who would, in 1977, exceed current income limitations, the bill is further designed to increase the upper limits controlling pension entitlement by $240 for single veterans and widows where there is no child and by $260 for veterans having a wife or child and widows with a child or children. These amounts are the amount of increase considered adequate to prevent termination of pension for any pensioner solely because of the 8-percent increase in his or her social security benefits.

The income limit provided under the current law for veterans and widows without dependents would be increased from $3,300 to $3,540. The income limit for a veteran or a widow with dependents would be increased from $4,500 to $4,760.

These figures do not tell the entire story. Since current law counts only 90 percent of a pensioner's income from social security and other retirement-type payments that represent most pensioners' income, the effective income limits for them could be as high as $3,933 or $5,289.

Mr. Speaker, at this point in the RECORD, and for easy reference, I would like to include the following tables setting forth the current rates of pension payable to veterans and widows and to DIC parents at $100 increments together with the corresponding amount that would be payable under the increased rate formula of the reported bill:

PENSION

Income not over—	Veteran alone		Veteran and 1 dependent		Widow alone		Widow with 1 dependent	
	Current	Bill	Current	Bill	Current	Bill	Current	Bill
0	173	185	186	199	117	125	139	149
$100	173	185	186	199	117	125	139	149
$200	173	185	186	199	117	125	139	149
$300	173	185	186	199	117	125	139	149
$400	170	182	186	199	116	124	139	149
$500	167	179	186	199	115	123	139	149
$600	163	175	184	197	114	122	139	149
$700	159	171	182	195	111	119	139	149
$800	154	166	179	192	108	116	138	148
$900	149	161	176	189	105	113	137	147
$1,000	144	155	173	186	101	109	136	146
$1,100	139	149	170	183	97	105	135	144
$1,200	134	143	167	179	93	101	133	142
$1,300	128	137	164	175	89	96	131	140
$1,400	122	131	160	171	85	91	129	138
$1,500	116	125	156	167	81	86	127	136
$1,600	110	118	152	163	76	81	125	134
$1,700	104	111	148	159	71	76	123	132
$1,800	97	104	144	155	66	71	121	129
$1,900	90	96	140	151	61	66	118	126
$2,000	83	88	136	147	56	61	115	123
$2,100	75	80	132	143	51	56	112	120
$2,200	67	72	128	139	46	51	109	117
$2,300	59	64	124	135	41	46	106	114
$2,400	51	56	120	131	36	40	103	111
$2,500	43	48	116	126	31	34	100	108
$2,600	35	40	112	121	26	28	97	104
$2,700	27	32	108	116	21	22	94	100
$2,800	19	24	104	111	15	16	90	96
$2,900	11	16	99	106	9	10	86	92
$3,000	5	8	94	101	5	5	82	88
$3,100	5	5	89	96	5	5	78	84
$3,200	5	5	84	90	5	5	74	80
$3,300	5	5	78	84	5	5	70	76
$3,400		5	72	78		5	66	71
$3,500		5	66	72		5	62	66
$3,540		5				5		
$3,600			60	65			57	61
$3,700			54	58			53	56
$3,800			48	50			53	56
$3,900			40	42			53	56
$4,000			32	34			53	56
$4,100			24	26			53	56
$4,200			16	18			53	56
$4,300			8	10			53	56
$4,400			5	5			53	56
$4,500			5	5			53	56
$4,600				5				56
$4,700				5				56
$4,760				5				56

DIC PARENTS

Income not over—	1 parent		2 parents together		2 parents not together	
	Current	Bill	Current	Bill	Current	Bill
0	133	142				
$100	133	142				
$200	133	142				
$300	133	142				
$400	133	142				
$500	133	142				
$600	133	142				
$700	133	142				
$800	133	142			93	100
$900	130	139			91	98
$1,000	127	136	90	96	89	96
$1,100	123	132	88	94	87	94
$1,200	119	128	86	92	83	90
$1,300	114	123	84	90	79	86
$1,400	109	118	82	88	75	81
$1,500	104	112	80	86	71	76
$1,600	98	106	78	84	67	71
$1,700	92	98	76	82	62	66
$1,800	84	90	74	80	57	61
$1,900	76	82	72	78	52	56
$2,000	68	74	70	76	47	51
$2,100	60	66	68	74	42	46
$2,200	52	58	66	71	37	41
$2,300	44	50	64	68	32	36
$2,400	36	42	61	65	27	30
$2,500	28	34	58	62	21	24
$2,600	20	26	55	59	15	18
$2,700	12	18	52	56	9	12
$2,800	5	10	49	53	5	6
$2,900	5	5	46	50	5	5
$3,000	5	5	43	47	5	5
$3,100	5	5	40	44	5	5
$3,200	5	5	37	40	5	5
$3,300	5	5	34	36	5	5
$3,400		5	30	32		5
$3,500		5	26	28		5
$3,540		5				5
$3,600			22	24		
$3,700			18	20		
$3,800			14	16		
$3,900			10	11		
$4,000			6	6		
$4,100			5	5		
$4,200			5	5		
$4,300			5	5		
$4,400			5	5		
$4,500			5	5		
$4,600				5		
$4,700				5		
$4,760				5		

Most pensioners are elderly—and the most common source of income available to them is social security. The average social security payment received by veteran pensioners before the most recent, 6.4-percent increase was reported as $187 monthly. The figure for widows was placed at $157 monthly.

Under the formula pension plan as liberalized by Public Law 94–169 that became effective January 1, 1976, no pensioner lost his pension solely because of the increase in his social security benefits which became effective in 1975. Under the liberalized formula it is further true that no pensioner suffered a loss in total annual income as a result solely of his increase in social security payments.

The amendments proposed by this bill for 1977 would again insure that there would be no termination of pension or reduction in net annual income of the pensioner resulting solely from his 6.4 percent, social security increase which became effective in June of this year.

Finally, Mr. Speaker, in addition to the cost-of-living increases provided for in the reported bill, additional benefits would be made available to veterans who are 80 years of age or older. The bill provides a 25-percent added differential for all pension rates for eligible veterans in this age bracket. I feel very strongly, as do many of my colleagues, that our more elderly veterans, because of their advanced age and disabilities, have special needs. Most of those who would meet the eligibility requirement under this provision of the bill are World War I veterans. The proposed bill is designed to provide additional relief by

allowing for a substantial increase in all rates. The 9-month cost of this bill—fiscal year 1977—is estimated to be approximately $64.5 million and would benefit some 170,000 of our older World War I veterans. The total cost of the bill in fiscal year 1977 will be approximately $414 million. The first full-year cost of the bill in fiscal year 1978 will be about $483 million. There follows a 5-year cost estimate of the major provisions of the bill:

Estimated 5-year cost of H.R. 14298

I. MAKE PERMANENT P.L. 94–169 RATE AND INCOME INCREASES

1977	198.4
1978	194.4
1979	187.2
1980	178.0
1981	167.5

II. CURRENT LAW, 7 PERCENT INCREASE AND INCOME LIMIT INCREASE

1977 (¾ yr.)	99.9
1978	131.1
1979	126.0
1980	122.9
1981	118.1

III. OLD LAW, INCOME LIMIT INCREASE

1977 (¾ yr.)	7.2
1978	9.6
1979	9.3
1980	9.1
1981	8.8

IV. DIC PARENTS, 7 PERCENT INCREASE, INCOME LIMIT INCREASE

1977 (¾ yr.)	4.4
1978	5.9
1979	5.7
1980	5.6
1981	5.4

V. INCREASE IN CHILDREN RATES AND INCOME LIMITED

1977 (¾ yr.)	1.0
1978	1.3
1979	1.2
1980	1.2
1981	1.2

VI. INCREASE IN HOUSEBOUND RATES

1977	.9
1978	1.2
1979	1.2
1980	1.2
1981	1.2

VII. INCREASE IN AID AND ATTENDANCE RATES

1977	37.4
1978	51.6
1979	52.1
1980	53.3
1981	53.8

VIII. GRADUATED REDUCTION IN AID AND ATTENDANCE ALLOWANCE

1977 (¾ yr.)	0.5
1978	1.4
1979	2.6
1980	4.0
1981	6.2

IX. 25 PERCENT INCREASE FOR VETERANS AT AGE 80

1977 (¾ yr.)	64.5
1978	86.1
1979	85.2
1980	83.4
1981	80.7

X. CHANGE IN DEFINITION OF PERMANENT/TOTAL DISABILITY

No significant cost

XI. FURNISH INFORMATION AT ADMINISTRATOR'S REQUEST

No significant cost

XII. MINIMUM STANDARDS FOR DEPENDENCY OF PARENTS

No cost

XIII. TOTAL COST OF THE BILL

1977	414.2
1978	482.6
1979	470.5
1980	458.7
1981	442.9

In closing, Mr. Speaker, I want to compliment the distinguished gentleman from Mississippi, the very able chairman of our Subcommittee on Compensation, Pension and Insurance, Mr. MONTGOMERY; the distinguished ranking minority member of the subcommittee, the gentleman from Ohio, Mr. WYLIE; the hard working dedicated ranking minority member of the full committee, the distinguished gentleman from Arkansas; Mr. HAMMERSCHMIDT, and other members of the subcommittee who continue to monitor these two great veterans' benefit programs and who see to it that the benefits provided to eligible veterans and dependents are adequate to take care of their needs. I am proud of our success over the years in providing what is in my opinion an outstanding compensation and DIC program for our service-connected disabled veterans and their eligible survivors. The same is true of the pension and DIC program for our disabled nonservice-connected veterans, their widows and children, and DIC for dependent parents. During the past 3 years, the Congress has provided three rate increases for those drawing pension benefits. Effective January 1, 1975, Congress voted a 12-percent increase in pension rates and raised income limits by $400. On January 1, 1976, the rate was increased another 8 percent and the income limits were increased by $300. The reported bill would increase the rate again by 7 percent effective January 1, 1977, and would raise the income limits by $240 for a single veteran and by $260 for a veteran with dependents. In other words, Mr. Speaker, in the last 3 years, should the reported bill be enacted into law, we will have raised the rate by a total of 27 percent, and the income limits by $940 for a single veteran and $960 for a veteran with dependents. I think the committee and the Congress have done an outstanding job and I want to commend my colleagues for their great work on behalf of all our veterans and their families.

GENERAL LEAVE

Mr. ROBERTS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill under consideration, H.R. 14298.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. ROBERTS. Mr. Speaker, I yield such time as he may consume to the distinguished chairman of the subcommittee, the gentleman from Mississippi (Mr. MONTGOMERY).

Mr. MONTGOMERY. Mr. Speaker, I would like to thank the chairman for yielding to me and also thank him for the way he has conducted the full committee so that we were able to bring these bills to the floor as quickly as possible.

Mr. Speaker, H.R. 14298, as reported, would provide cost-of-living increases for totally and permanently disabled nonservice-connected veterans and eligible survivors drawing benefits under the pension program.

My colleagues will recall that when the House passed its pension measure last year, it provided, among other things, a permanent 8-percent increase in rates and a $300 increase in income limitations; however, the other body amended the bill so that the increase would only be effective from January 1, 1976, through September 30, 1976. When the President submitted his budget for fiscal year 1977, he did not recommend that the rates under current law be continued beyond September 30; therefore, unless we make the current rates permanent, approximately 55,800 veterans and eligible survivors will be terminated from the rolls in October and some 2,270,000 will receive reductions in their checks the first day of November.

The reported bill would make permanent the 8-percent increase provided by Public Law 94–169 for eligible veterans, widows, children, and parents drawing dependency and indemnity compensation. In addition, it would provide the following:

First. A 7-percent increase in basic pension and DIC rates effective January 1, 1977, to compensate for the increase in the cost of living during calendar year 1976. The Committee on the Budget has advised that based on its economic projections the cost of living in calendar year 1976 will be about 5.7 percent more than in 1975. Social security payments are being increased by 6.4 percent effective with July checks. Since the proposed increases in the reported bill would become effective January 1, 1977, the 7-percent rate increase would serve to offset expected increases in the Consumer Price Index for all of calendar year 1976 and would be responsive to the real increases in income of pensioners from other Federal income maintenance programs which are indexed by law.

Second. The bill would increase the annual income limitations for eligible veterans, widows, children, and dependent parents to prevent termination of pension and DIC benefits when the veteran's income is increased solely as a result of his social security increase to become effective July 1, 1976.

Third. It would increase the disability pension housebound rate for veterans from $53 to $57 per month.

Fourth. Increase the aid and attendance allowance for widows and dependent parents from $69 to $74.

Fifth. Increase the aid and attendance allowance for veterans from $133 to $155.

Sixth. Provide a 25-percent added differential for all pension rates for eligible veterans who are 80 years of age or older. This is a very important provision, Mr. Speaker, in that it would provide additional help for our older, World War I disabled veterans. Following hearings on May 17 concerning legislative proposals that would provide benefits for this group of veterans, the committee

concluded that we should provide some additional relief for this group of veterans within certain budgetary constraints.

The 25-percent add-on for those veterans 80 years old or older will be most helpful to our elderly World War I veterans, who because of their advanced age and disabilities, have special needs. This provision will help the most needy and the most disabled. I wish we could have applied the additional benefit for widows. We simply could not do everything we would have liked because of our budget situation. As everyone knows, the total allocation for new entitlement authority for veterans' benefits and services in the first concurrent resolution adopted by the Congress amounted to only $1,397,000,000 in fiscal year 1977. I do hope we can review the program again next year and, hopefully, we will be able to provide some additional relief for the widows of World War I veterans in the near future.

Mr. Speaker, the estimated cost of the reported bill in fiscal year 1977 is $414.2 million. I think it is a good bill and is supported by all the major veterans' organizations, particularly the veterans of World War I. I hope it receives the unanimous support of the House.

Mr. SKUBITZ. Mr. Chairman, will the gentleman yield?

Mr. MONTGOMERY. I yield to the gentleman from Kansas.

Mr. SKUBITZ. I commend the committee for the job it has performed, but there are two points that do disturb me. As I read the legislation, we do increase the benefits by 7 percent. But I have received ever so many letters in the past from veterans complaining about the fact that when they receive a veteran's benefit or a social security benefit, these are always offset by the reduction in their veterans' benefits. This bill as it is written still permits the social security benefits to be taken away from the veterans' benefits. Is that not correct?

Mr. MONTGOMERY. Under certain circumstances this could be possible but we have also provided in this bill that no one would be taken off the pension rolls because of their social security increases and adding up both their social security checks and their veterans' pension checks they will receive an overall total increase.

Mr. SKUBITZ. They will get an increase.

Mr. MONTGOMERY. They will receive a total overall increase. If we do not pass this legislation over 55,000 of them will be taken off the pension rolls and over 2 million of them will be adversely affected.

Mr. SKUBITZ. I understand that, but I am trying to say to the gentleman that they still lose a part of their veterans' benefits if they receive an increase in social security benefit.

I regret that the bill comes up under a suspension of the rules which prohibits any amendments to the bill.

Mr. MONTGOMERY. We have looked into this matter and we think this is the best way to handle it. We think this is the best and fairest way to handle it, which is by raising the income limits on funds they can receive from other sources. The problem we have, I will say to the gentleman from Kansas, is that we also have pensioners who receive pensions from railroad retirement and from unions and from Civil Service and from municipalities and many other sources and we found out that this is the only fair way to handle it. So that is the reason for handling it in this manner.

Mr. SKUBITZ. It seems to me that when a man has paid into a fund such as railroad retirement or any other kind of pension fund, then he is entitled to it and we should not deduct that payment from his veterans' pension fund.

Now the gentleman spoke of an increase of 25 percent to World War I veterans. It is granted those who are over 80 years of age, the increase of 25 percent. As I understand it will go to World War I veterans. Is this correct?

Mr. MONTGOMERY. That is in this bill, veterans 80 and over will receive a 25-percent increase. There are approximately a million World War I veterans who are still with us and this legislation will benefit about 250,000 non-service-connected disabled World War I veterans who are disabled and who have very low incomes.

We have increased also the aid and attendance payments by 15 percent, which will certainly help these pensioners.

One thing that is not in this bill, and I want the House to know about it, is that the bill will not cover widows for the additional 25 percent. The 25 percent will not cover widows because there were not enough funds under the budget resolution, but it will cover only the living World War I pensioners.

Mr. SKUBITZ. The thing that disturbs me is that it seems like a large increase but when we reduce it to dollars and cents it amounts to peanuts. If there is one group of veterans that this Congress has not done justice by in my opinion it is the veterans of World War I.

Mr. ROBERTS. Mr. Chairman, will the gentleman yield?

Mr. MONTGOMERY. I yield to my chairman.

Mr. ROBERTS. Mr. Speaker, the gentleman made a point with reference to the additional allowance of 25 percent. Actually, it amounts to a pension of up to $185 a month regular pension, plus an additional $155 per month if eligible for aid and attendance, with 25 percent added on to this if the veteran is age 80 or older. It is not peanuts. It is every dollar we had in the budget. If we made it across the board, it would be almost a $3-billion increase.

Mr. GILMAN. Mr. Speaker, will the gentleman yield?

Mr. MONTGOMERY. I yield to the gentleman from New York.

Mr. GILMAN. Mr. Speaker, I want to join my colleagues in commending the gentleman from Mississippi, Mr. MONTGOMERY, and the committee for bringing this measure to the floor. It certainly is a long-needed benefit for our veterans.

In like manner, I hope, too, that the committee will not abandon its efforts to consider some way of funding the educational benefits for our Vietnam war veterans who are also in need of our assistance. The gentleman knows that I have been pursuing that issue before his committee.

Mr. MONTGOMERY. Mr. Speaker, I thank the gentleman for his comments.

As I understand, the Subcommittee on Education in the Committee on Veterans' Affairs are having hearings. They are looking into this matter.

Mr. GILMAN. Mr. Speaker, I thank the gentleman from Mississippi for his cooperation and concern.

Mr. SKUBITZ. Mr. Speaker, will the gentleman yield?

Mr. MONTGOMERY. I yield to the gentleman from Kansas.

Mr. SKUBITZ. Mr. Speaker, I am going to support this legislation which is now before us and I want to commend the members of the Veterans Affairs Committee for their efforts to increase somewhat the rates of those receiving veterans pensions. I deeply regret, however, the measure is before us on the suspension calendar—this obviously prevents me from offering an amendment to this bill.

Had this bill not been on the suspension calendar, I would have offered an amendment which would have precluded a veterans pension from being decreased because of an increase in social security benefits, as provided in a bill I introduced last December (H.R. 3354), and is still pending in the Veterans Affairs Committee, There is not any question that this is the only right, fair, and honest way of dealing with this problem. Every time social security benefits are increased—veterans benefits decrease.

It seems to me that if we call on a man to serve his nation in any of our Armed Forces, and require that he give up his family, his job, and indeed possibly the greatest sacrifice of all, his own life, we can at the very least show our appreciation by insuring that his veterans pension will not be reduced, because of an increase in social security benefits.

Mr. MYERS of Pennsylvania. Mr. Speaker, will the gentleman yield?

Mr. MONTGOMERY. I yield to the gentleman from Pennsylvania.

Mr. MYERS of Pennsylvania. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, one of the concerns I have as I studied this legislation, and I commend the gentleman for bringing this adjustment to the floor, is how it would affect widows over 80 years of age.

Would the gentleman reflect on the subject of not including the survivors and the widows after age 80?

Mr. MONTGOMERY. Mr. Speaker, I made the comment, if I understand the gentleman's question, that there were not enough funds provided in the budget resolution if I have the gentleman's question right. There were not enough funds to give a 25-percent across-the-board increase to widows whose hus bands had died of a non-service-connected disability or injury. She will not get the 25-percent increase; however, under this legislation, she will get a 7-percent increase. If she is drawing $100 a month now, under this legislation she will receive $107 a month. Also

she will get an increase in her aid and attendance allowance.

Mr. MYERS of Pennsylvania. Mr. Speaker, if the gentleman will yield further, does the gentleman have a figure what percentage increase beyond the bill's present cost it would be to include widows?

Mr. MONTGOMERY. It would be $22 million would be the cost for three quarters of the fiscal year.

Mr. MYERS of Pennsylvania. Almost a 50-percent increase?

Mr. MONTGOMERY. That is approximately correct.

Mr. MYERS of Pennsylvania. Mr. Speaker, I thank the gentleman.

Mr. HARKIN. Mr. Speaker, will the gentleman yield?

Mr. MONTGOMERY. I yield to the gentleman from Iowa.

Mr. HARKIN. Mr. Speaker, first of all, I commend the gentleman from Mississippi for bringing this bill up. I know the gentleman's deep concern for veterans and veterans' benefits for those who are in need.

I would like to ask the distinguished gentleman from Mississippi about the provision for the 25-percent add-on for those who attain age 80 and over. It seems as pointed out on page 22 of the report, it indicates that in the next few years many veterans will be reaching age 80 who were not World War I veterans. I am a little concerned that we are going to have an imbalance in terms of benefits. I am very concerned about the lack of benefits given to the World War I veterans, who have not really received much in their lifetimes and may now have reached the age of 80 in dire circumstances, basically living on social security, if they were even fortunate enough to pay in to social security, and many living on benefits under the welfare system; so I am concerned about this provision giving this 25-percent increase to those of age 80 and over. This will get locked into the law and later will go to the World War II veterans and other veterans in between who have already received a lot of benefits in terms of educational benefits and everything else, which the World War I veterans did not receive.

I would like the gentleman from Mississippi to explain why the age "80" was used; why not just use the term "World War I veterans"?

Mr. MONTGOMERY. Mr. Speaker, we do not legislate by wars. The gentleman is correct. It would cover a few persons in World War II and more as time passes, but because we do not legislate by wars we have set it at 80 years of age and above so that all war veterans will be treated equally. We have tried to be fair in the committee and, as the gentleman knows, I have served on the committee for some time.

As the gentleman knows, there are just so much funds available. We have actually spent about $60 billion on benefits for World War I veterans. The 25-percent feature of this bill will cost about $65 million in fiscal year 1977. The gentleman is right, they did not get educational and other benefits. On the other hand they received a $3.8 billion Federal bonus. We have tried to see that whenever we gave pensioners an increase, we always took care of World War I veterans. As they reach the twilight years, we are trying to give them some add-on. The gentleman is right, we have had some problems. We are doing the best we can under the budgetary restraints we have been operating under.

Mr. HARKIN. I understand. It would seem that while we do not legislate according to wars, we do legislate according to periods of time they have been in the service. This has been done before.

Mr. ROBERTS. Mr. Speaker, will the gentleman yield?

Mr. MONTGOMERY. I yield to the gentleman from Texas.

Mr. ROBERTS. Mr. Speaker, I would like to say to the gentleman that nobody is more interested in the World War I veteran than I am, but the gentleman is completely mistaken in terms of how much money we spend. We have already spent more than $60 billion for the World War I veterans, and we are going to continue to take care of them—not just because they are World War I veterans, but because they are veterans. I know the gentleman agrees with that.

Mr. HARKIN. I certainly do, and again I commend the gentleman for bringing this bill up. But again, I am just concerned that those World War I veterans who are in the most dire circumstances will not be helped as much as they ought to be helped, and that remains a concern of mine.

Mr. HAMMERSCHMIDT. Mr. Speaker, I rise in support of H.R. 14298, a bill to provide more generous pension benefits for certain veterans, widows and children. As a member of the Subcommittee on Compensation, Pension and Insurance, I want to compliment the gentleman from Mississippi (Mr. MONTGOMERY), who is chairman of the subcommittee, and the gentleman from Ohio (Mr. WYLIE), who is the ranking minority member of the subcommittee, for their untiring efforts in bringing to the floor a bill that is designed to provide assistance to the needy older veteran and to those veterans who are seriously disabled from non-service-connected disabilities. I also concur with the earlier remarks of our distinguished chairman, Mr. ROBERTS of Texas.

Members will recall that the most recent adjustment in pension rates and income ceilings was made by Public Law 94–169 which became effective January 1 of this year. Unfortunately, the other body insisted on a termination date of September 30 for the increases authorized by that law, presumably to insure further action on pension reform prior to that date. Thus, Mr. Speaker, our failure to act on this measure would result in thousands of pensioners having their monthly payments reduced or terminated on September 30. We cannot permit that to happen.

This measure will provide for the continuation of the pension rates and income limitations that were authorized by Public Law 94–169. In addition, it will authorize a 7-percent increase in the rates of pension to be effective the first day of 1977. This increase is commensurate with projections of the increase in the cost of living for 1976.

The bill also increases the maximum annual income limitations from $3,300 to $3,540 for veterans without dependents and from $4,500 to $4,760 for veterans with dependents. These increases in the income ceilings will insure that no pension will be terminated solely because of the pending increase in social security payments.

Similar increases in monthly pension rates are provided for widows and children. Income limitations are also increased for this group as well as those veterans who are receiving pension under the so-called old law.

It was my privilege, Mr. Speaker, at various times during this 94th Congress, to introduce a series of bills that respond to the special needs of World War I veterans. I am pleased that the bill before us includes provisions that are similar to several of the measures I have introduced.

The bill provides for the continued payment of an aid and attendance allowance to certain veterans whose incomes exceed the current pension income limitations.

It provides for a more substantial increase, 15 percent, in the aid and attendance allowance for veterans.

An additional 25 percent supplemental pension is authorized for those veterans who have reached the age of 80 years.

This bill will also increase by 7 percent the monthly rates of dependency and indemnity compensation payable to dependent parents of persons who died of service-connected causes. Increases in the maximum annual income limitations are also authorized for this group.

Mr. Speaker, these are the major provisions of the bill before us. It is a good bill. It is a bill that will alleviate the financial plight to a most deserving group—the veterans of World War I. I am proud to have cosponsored this measure and urge that it be approved.

Mr. HAMMERSCHMIDT. Mr. Speaker, I yield such time as he may consume to the ranking minority member of the subcommittee, the gentleman from Ohio (Mr. WYLIE).

Mr. WYLIE. Mr. Speaker, I want to thank the gentleman from Arkansas (Mr. HAMMERSCHMIDT) again for his kind remarks about my part in this bill. I want to commend him and the gentleman from Mississippi (Mr. MONTGOMERY) for their leadership in bringing what I think is a good bill, a realistic bill, to the House floor today.

We can talk about all these others things that ought to be done, but we have to take them within the framework of the realm of possibility, and we have to be realistic at the same time. This bill does provide a 7-percent cost-of-living increase to pensioners and their dependents. A significant provision of the bill has been discussed here between the gentleman from Kansas and the gentleman from Mississippi, in colloquy, about the provisions, which would take into ac-

count the anticipated 6.5-percent cost-of-living increase in social security benefits.

Although social security benefits are the largest single source of retirement income, they are by no means the only source. There are railroad retirement recipients. There are State, county, and city public employee retirement recipients; there are union and company pension plan employee recipients. All these people have to be taken into account when we consider a bill of this nature, and that becomes a problem of great magnitude and one that is a subject, I think, of a different time and a different place.

Additionally, this bill would raise the maximum outside earning limitations by $300 to provide for additional income for veterans who are also social security recipients.

DISABILITY AND DEATH COMPENSATION FOR VETERANS

The measure also provides a 7-percent increase in veterans pensions, widows pensions, surviving children pension when there is no widow, aid and attendance allowances for certain widows and parents receiving payments or aid and attendance under the DIC program.

The bill increases by 15 percent the rate for aid and attendance for qualified veterans. This will indeed be most welcome by these beneficiaries. It also finally recognizes the special needs of our World War I veterans by providing an added 25-percent pension differential for veterans who are 80 years of age or older.

There are also appropriate increases in the annual income limitation that will bring the various benefits under limitations up to a more realistic level.

As I said at the outset, I think this is a practical and realistic bill which I urge my colleagues to support.

Mr. HAMMERSCHMIDT. Mr. Speaker, I yield such time as she may consume to the gentlewoman from Massachusetts (Mrs. HECKLER), a member of the committee.

Mrs. HECKLER of Massachusetts. Mr. Speaker, I rise in favor of H.R. 14298, a bill to provide cost-of-living increases to non-service-connected veterans and their eligible survivors in the pension program.

H.R. 14298 extends Public Law 94–169, which granted 8-percent increases effective January 1 of this year. This law expires on September 30. If an extension is not approved, approximately 2,269,000 veterans and their survivors will receive smaller checks on November 1, and around 55,800 will lose their benefits altogether.

When H.R. 10355, which became Public Law 94–169, was debated by this body last November 4, I stated that it authorized payments in line with the increasing costs which veterans and their survivors must pay. As the cost of living slowly creeps upward, the reasons for extending the measure become even more imperative than they were at the time the measure was originally enacted.

H.R. 14298 also provides a 7-percent cost-of-living increase, effective January 1, 1977. This increase is designed to compensate for the rise in the cost of living during calendar year 1976. In authorizing such an increase, the bill offers an essential readjustment while at the same time acknowledging the need for Federal budget restraint.

H.R. 14298 also contains a 25-percent differential for pension rates for eligible veterans who are 80 years of age and older. This provision is designed to aid World War I veterans, most of whom rely upon their pension benefits as their major source of income. For years these veterans have borne the burden of inflation; it is important that we address their needs and seek to redress them.

As a cosponsor of H.R. 14298, I add my voice to those of my colleagues in urging your support of this bill.

Mr. HAMMERSCHMIDT. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts (Mr. CONTE).

Mr. CONTE. Mr. Speaker, I want to commend the ranking minority member and the chairman for bringing out this monumental piece of legislation to help the veterans of World War I.

Mr. Speaker, I rise in support of this bill to increase the rates of disability and death pensions for veterans by 7 percent. This is a much-needed measure in order to prevent the dilution of veterans' pensions by inflation, and I urge its adoption.

Mr. Speaker, since the time of the Revolutionary War the American people have felt a special responsibility for the men and women who served the Nation in time of war and for their widows and orphans. For those who were disabled and for survivors of those who died of service-related disease or injury a special burden of care was assumed; and for those who were aged and disabled from non-service-related causes and for the widows and orphans of those who died from non-service-related causes who became in need, the Nation's conscience also dictated an honorable measure of assistance.

The modern veterans' pension system came into being in 1960, providing the latest payments of pensions to those having the least outside income, and decreasing the amount of benefits as outside income increased. Congress has reviewed the pension program from time to time since then with a view toward an equitable adjustment of pension rates in order to assure that needy, disabled, wartime veterans and their survivors do not suffer unduly because of inflation. The bill presently under consideration is designed to provide for such a cost-of-living increase in veteran pension benefits, as well as to increase the outside income limitations governing pension entitlement.

Mr. Speaker, one reason this bill is necessary is that veterans often receive their outside income from social security. Without this increase the income limitation, the pending 6.5-percent increase in social security benefits would result in lower pensions or possible removal from pension eligibility for many veterans. I have introduced legislation to protect veterans' pensions from this type of "Indian giving," to prevent cost of living increases in social security benefits from being deducted from veterans' pensions. The Senate has passed a similar measure, and I urge the distinguished members of the House Veterans Affairs Committee to bring this measure to the floor of the House during this session.

Mr. Speaker, there have been proposals to integrate veterans' benefits into existing social welfare programs, and I would like to take advantage of this opportunity to once again express my strong opposition to such proposals. Some people ask "what's so special about veterans that they can't be taken care of by other programs?" Well, Mr. Speaker, let me say here and now that veterans are special. By their special sacrifices, their special dedication, and special devotion to the defense of their country, they have earned their right to special consideration and treatment by a grateful nation.

I urge my colleagues to support this bill.

Mr. HAMMERSCHMIDT. Mr. Speaker, I have no further requests for time, and I reserve the balance of my time.

Mr. ROBERTS. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. ANDERSON).

Mr. ANDERSON of California. Mr. Speaker, I urge support of this measure, H.R. 14298.

Mr. Speaker, I rise in strong support of H.R. 14298, the Veterans and Survivors Pension Adjustment Act. This legislation is a step in the right direction, but there is so much more than we have a responsibility to do for those individuals who have served this country so willingly.

The legislation before us extends the "interim" 8-percent increase in pension benefits through the end of 1976, and it also provides for a 7-percent increase in pension payments effective January 1, 1977. I am also very pleased with the section that provides for a 25-percent increase in all veteran benefits for veterans aged 80 or over.

This particular section will be of greatest benefit to veterans of World War I. However, it will, at the present time, benefit only about 170,000 of these veterans—half of the number who are presently receiving benefits. Beyond that, it does not even address the needs of an additional 600,000 veterans of World War I who are receiving no veterans pension at all. Many of these men are not disabled, but they are in great economic need—this need results from their lack of education and job training, both of which could have been averted had this Nation provided educational benefits and job training programs to these veterans at the time of their discharge. Many veterans of World War I live "hand to mouth" on an inadequate social security check; inadequate because the social security program was created too late for them to earn maximum benefits.

Again, I want to applaud the Veterans Affairs Committee for reporting this bill to the floor of the House. I also want to stress to my colleagues that this legislation in no way reduces the need for an "across the board" pension for veterans of World War I and their widows. I want

to again encourage my colleagues to sign the discharge petition which I have initiated to bring H.R. 3616, the World War I Pension Act, to the full House for debate and vote.

I urge adoption of H.R. 14298, the Veterans and Survivors Pension Adjustment Act.

Mr. TEAGUE. Mr. Speaker, I rise in support of H.R. 14298 and strongly urge its overwhelming approval by my colleagues. I believe, Mr. Speaker, that this is one of the more important pension bills which has been considered by this body. In addition to providing a 7-percent increase in the basic non-service-connected pension rates for veterans and their survivors, H.R. 14298 would also increase the income limitations sufficiently to preclude a recipient of non-service-connected pension benefits from having such benefits terminated solely due to the 1976 increase in his or her social security payments. The bill also proposes to provide a 7-percent increase in DIC rates for dependent parents of veterans who have died as a result of their service-incurred disability and also increase the income limitation for entitlement to such benefits.

In keeping with the basic concept of the pension program to provide benefits to the more needy and seriously disabled, the bill proposes to increase the housebound rate for veterans from $53 to $57 monthly, increase the aid and attendance allowance for widows and dependent parents from $69 to $74 monthly and the aid and attendance allowance for veterans from $133 to $155 monthly.

The special need of the aged veteran, and particularly the World War I veteran, has been a primary concern of the committee and all Members of the House. This bill addresses itself to the special needs of the aged veterans and proposes to increase by an additional 25 percent all pension benefits which are payable to veterans 80 years of age or older. Therefore, Mr. Speaker, this bill would greatly benefit the vast majority of veterans receiving non-service-connected pension.

Mr. O'BRIEN. Mr. Speaker, I rise in support of H.R. 14298, legislation which has the overall goal of increasing the rates of disability and death pensions payable for non-service-connected disability and the rates of dependency and indemnity compensation for dependent parents.

The bill provides for a 7-percent increase in the payment rates in order to overcome any adverse effects on pension of DIC payments that would occur in 1977 as a result of income increases received by Veterans' Administration beneficiaries during the calendar year of 1976. These are benefits payable based on need, and, accordingly, are geared to the individual income. Unless the payment rates are increased, the purpose of the VA benefits is thwarted if they are reduced markedly because of cost-of-living increases received from other sources of income such as social security.

The maximum annual income limitations are increased also. For the lone widow or veteran, the amount will be raised from $3,300 to $3,540, and for the veteran or widow with dependents, the increase will be from $4,500 to $4,760. For children where there is no widow the increase will be from $2,700 to $2,890.

A new provision is introduced in this bill which will increase pension rates by 25 percent when veterans become 80 years of age. This should be of special help to World War I veterans for whom it is intended particularly.

The special allowance for aid and attendance for veterans will be increased by 15 percent. It will be raised from $133 to $155 per month.

Protected law pensioners will benefit by increases in their annual income limitations. The single veteran and widow without children will be subject to an increase from $2,900 to $3,100. Veterans and widows with dependents will have their annual income limitations raised from $4,200 to $4,460.

The foregoing provisions will be effective on January 1, 1977.

Public Law 94–169 which increased pension rates effective on January 1, 1976, will be extended through the calendar year of 1976.

I urge support of this legislation, because it will benefit our needy wartime veterans and their dependents. Certainly, I can think of no more deserving citizens.

Mr. BURKE of Florida. Mr. Speaker, I rise in support of bills H.R. 14298, increasing veterans' pensions, and H.R. 14299, increasing compensations for service-connected disabilities. As you know, I have always considered it a duty and privilege to advance the rights of veterans. These bills are clearly progressive measures, inasmuch as they seek to provide for added expenses borne by veterans due to the rising cost of living.

I am pleased to see that H.R. 14298 permits a higher ceiling for allowable income without loss of pension benefits. The income limitations for single veterans or widows have now been raised by $240, to a total of $3,540, and the limitations for veterans or widows with dependents have been raised by $260, to $4,760. I hope that in the future, should conditions warrant, that these income limitations can be raised still more, or eliminated altogether.

From my point of view, the single most important feature of H.R. 14298 is that it adds a 25-percent differential to the pensions of veterans 80 years of age or older. This group makes up the vast majority of the World War I veterans in whom I have been particularly interested over the years.

I would also like to call favorable attention to the provision of H.R. 14299, the compensation-increase bill, which calls for the Veterans' Administration to investigate the relationship between amputation cases and the incidence of cardiovascular disorders. These diseases are our Nation's largest killers, and take an especially heavy toll among older Americans. Any study of these diseases is sure to benefit the Nation as a whole.

The increased benefits provided by H.R. 14298 and H.R. 14299 give recognition to one of life's most poignant ironies: the fact that older persons find that their medical expenses are rising at the same time that their incomes are dwindling away. Our older citizens have to pay a disproportionate part of their resources for medical and dental fees, and prosthetic devices, nursing care, and the like. The increases provided for in these bills can, to some degree, make up for these increasing medical expenses.

Our veterans have risked the best years of their lives to defend our country and protect the freedom, prosperity, and values which we all enjoy. None of those who have not served with them can ever adequately know that they can never repay this debt. It is, therefore, in order for us to provide for our veterans, especially as they grow older.

I realize that the bills now before the House are the best pieces of veterans' legislation which we can expect this session, but I think that more can and should be done. I still favor a general pension for World War I veterans which will eliminate the income limitation features of present laws entirely. I will continue to work for such legislation in the future.

Mr. ABDNOR. Mr. Speaker, as a cosponsor of this proposed legislation, I rise in strong support of H.R. 14298. This bill provides three major improvements to the current Veterans' Administration non-service-connected disability pension program.

First, it will continue the 8-percent increase in pension rates that became effective on January 1, 1976, in Public Law 94–169 and then on January 1, 1977, grant an additional 7-percent increase in pension rates for eligible veterans and widows, and a 7-percent increase in dependency and indemnity compensation for dependent parents. Second, it will continue the $300 increase in income limitations provided in Public Law 94–169 and grant an additional increase from $3,300 to $3,540 for an eligible single veteran or widow and from $4,500 to $4,760 for a veteran or widow with a dependent. Third, a completely new provision will provide an additional 25-percent differential on the basic pension rate for those eligible veterans 80 years or older. This provision will assist our senior World War I veterans who have the most need. Other provisions in the bill will increase the rates of household and aid and attendance rates.

In hearings both on August 8, 1974 and on May 14 of this year, I testified in favor of various needed reforms in the current pension program. These reforms included the following:

Increase the pension rates so that no veteran or widow would fall below the poverty level as established by the Bureau of the Census, increase the income limitations to prevent social security increases from forcing veterans off of the pension rolls, provide an added 30-percent differential on pension rates for veterans or widows 75 and older or house-

bound assistance whichever was most beneficial to the veteran, increase the income limitation on unearned income of the spouse from $1,200 to $2,000, and initiate an automatic cost-of-living increase provision which parallels the increase in social security.

Although not all of these provisions were included in H.R. 14298, I was extremely happy to see the provisions entitling eligible veterans 80 years and older to an added differential of 25 percent on their basic pension rates. Although this is not the straight pension desired by many World War I veterans, it is a compromise and a step toward helping those World War I veterans with the most need.

Hopefully, in the future, the committee will be able to include other reform measures I have suggested. However, I greatly applaud the provisions in this bill, as it will greatly assist our veteran pensioners and provide them with necessary cost-of-living increases. As inflation is eroding the value of these benefits and of a veteran's lifetime savings, it is necessary that we keep the pension benefits up with the rising cost of living. Therefore, Mr. Speaker, I urge my fellow colleagues to unanimously pass this proposed legislation.

Mr. ROBERTS. Mr. Speaker, I wish to commend the distinguished gentleman from Arkansas (Mr. HAMMERSCHMIDT) and the distinguished gentleman from Mississippi (Mr. MONTGOMERY), and also the distinguished gentleman from Ohio (Mr. WYLIE), plus the staff and all other Members who have worked so hard on this legislation.

Mr. Speaker, I have no further requests for time, and I reserve the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas (Mr. ROBERTS) that the House suspend the rules and pass the bill (H.R. 14298), as amended.

The question was taken.

Mr. WYLIE. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 3(b) of rule XXVII and the Chair's prior announcement, further proceedings on this motion will be postponed.

CODIFICATION OF RULES AND CUSTOMS OF AMERICAN FLAG

Mr. EDWARDS of California. Mr. Speaker, I move to suspend the rules and pass the Senate joint resolution (S.J. Res. 49) to amend the joint resolution entitled "Joint resolution to codify and emphasize existing rules and customs pertaining to the display and use of the flag of the United States of America, as amended.

The Clerk read as follows:

S.J. RES. 49

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the joint resolution entitled "Joint resolution to codify and emphasize existing rules and customs pertaining to the display and use of the flag of the United States of America", as amended (36 U.S.C. 171–178), is amended—

(1) by adding after the last sentence of section 1 the following: "The flag of the United States for the purpose of this chapter shall be defined according to title 4, United States Code, chapter 1, section 1 and section 2 and Executive Order 10834 issued pursuant thereto.";

(2) by striking out the second sentence of section 2(a) and inserting in lieu thereof the following: "However, when a patriotic effect is desired, the flag may be displayed twenty-four hours a day if properly illuminated during the hours of darkness.";

(3) by inserting in section 2(c) before the period a comma and the following: "except when an all weather flag is displayed";

(4) by striking out section 2(d) and inserting in lieu thereof the following:

"(d) The flag should be displayed on all days, especially on New Year's Day, January 1; Inauguration Day, January 20; Lincoln's Birthday, February 12; Washington's Birthday, third Monday in February; Easter Sunday (variable); Mother's Day, second Sunday in May; Armed Forces Day, third Saturday in May; Memorial Day (half-staff until noon), the last Monday in May; Flag Day, June 14; Independence Day, July 4; Labor Day, first Monday in September; Constitution Day, September 17; Columbus Day, second Monday in October; Navy Day, October 27; Veterans Day, November 11; Thanksgiving Day, fourth Thursday in November; Christmas Day, December 25; such other days as may be proclaimed by the President of the United States; the birthdays of States date of admission); and on State holidays.";

(5) by striking out ", weather permitting," in section 2(e);

(6) by striking out "radiator cap" in section 3(b) and inserting in lieu thereof "right fender";

(7) in the last sentence of section 3(f), by striking out "to the right of the flag of the United States." and inserting in lieu thereof the following: "to the United States flag's right.";

(8) by striking out section 3(i) and inserting in lieu thereof the following:

"(i) When displayed either horizontally or vertically against a wall, the union should be uppermost and to the flag's own right, that is, to the observer's left. When displayed in a window, the flag should be displayed in the same way, with the union or blue field to the left of the observer in the street.";

(9) by striking out section 3(k) and inserting in lieu thereof the following:

"(k) When used on a speaker's platform, the flag, if displayed flat, should be displayed above and behind the speaker. When displayed from a staff in a church or public auditorium, the flag of the United States of America should hold the position of superior prominence, in advance of the audience, and in the position of honor at the clergyman's or speaker's right as he faces the audience. Any other flag so displayed should be placed on the left of the clergyman or speaker or to the right of the audience.";

(10) by striking out section 3(m) and inserting in lieu thereof the following:

"(m) The flag, when flown at half-staff, should be first hoisted to the peak for an instant and then lowered to the half-staff position. The flag should be again raised to the peak before it is lowered for the day. On Memorial Day the flag should be displayed at half-staff until noon only, then raised to the top of the staff. By order of the President, the flag shall be flown at half-staff upon the death of principal figures of the United States Government and the Governor of a State, territory, or possession, as a mark of respect to their memory. In the event of the death of other officials or foreign dignitaries, the flag is to be displayed at half-staff according to Presidential instructions or orders, or in accordance with recognized customs or practices not inconsistent with law. In the event of the death of a present or former official of the government of any State, territory, or possession of the United States, the Governor of that State, territory, or possession may proclaim that the National flag shall be flown at half-staff. The flag shall be flown at half-staff thirty days from the death of the President or a former President; ten days from the day of death of the Vice President, the Chief Justice or a retired Chief Justice of the United States, or the Speaker of the House of Representatives; from the day of death until interment of an Associate Justice of the Supreme Court, a Secretary of an executive or military department, a former Vice President, or the Governor of a State, territory, or possession; and on the day of death and the following day for a Member of Congress. As used in this subsection—

"(1) the term 'half-staff' means the position of the flag when it is one-half the distance between the top and bottom of the staff;

"(2) the term 'executive or military department' means any agency listed under sections 101 and 102 of title 5, United States Code; and

"(3) the term 'Member of Congress' means a Senator, a Representative, a Delegate, or the Resident Commissioner from Puerto Rico.";

(11) by adding at the end of section 3, a new subsection as follows:

"(o) When the flag is suspended across a corridor or lobby in a building with only one main entrance, it should be suspended vertically with the union of the flag to the observer's left upon entering. If the building has more than one main entrance, the flag should be suspended vertically near the center of the corridor or lobby with the union to the north, when entrances are to the east and west or to the east when entrances are to the north and south. If there are entrances in more than two directions, the union should be to the east.";

(12) by striking out section 4(a) and inserting in lieu thereof the following:

(a) The flag should never be displayed with the union down, except as a signal of dire distress in instances of extreme danger to life or property.";

(13) by striking out section 4(d) and inserting in lieu thereof the following:

"(d) The flag should never be used as wearing apparel, bedding, or drapery. It should never be festooned, drawn back, nor up, in folds, but always allowed to fall free. Bunting of blue, white, and red, always arranged with the blue above, the white in the middle, and the red below, should be used for covering a speaker's desk, draping the front of a platform, and for decoration in general.";

(14) by striking out section 4(c) and inserting in lieu thereof the following:

"(e) The flag should never be fastened, displayed, used, or stored in such a manner as to permit it to be easily torn, soiled, or damaged in any way.";

(15) by striking out section 4(i) and inserting in lieu thereof the following:

"(i) The flag should never be used for advertising purposes in any manner whatsoever. It should not be embroidered on such articles as cushions or handkerchiefs and the like, printed or otherwise impressed on paper napkins or boxes or anything that is designed for temporary use and discard. Advertising signs should not be fastened to a staff or halyard from which the flag is flown.";

(16) by redesignating section 4(j) as section 4(k) and by inserting after section 4(i) a new subsection as follows:

"(j) No part of the flag should ever be

used as a costume or athletic uniform. However, a flag patch may be affixed to the uniform of military personnel, firemen, policemen, and members of patriotic organizations. The flag represents a living country and is itself considered a living thing. Therefore, the lapel flag pin being a replica, should be worn on the left lapel near the heart.";

(17) by striking out section 5 and inserting in lieu thereof the following:

"SEC. 5. During the ceremony of hoisting or lowering the flag or when the flag is passing in a parade or in review, all persons present except those in uniform should face the flag and stand at attention with the right hand over the heart. Those present in uniform should render the military salute. When not in uniform, men should remove their headdress with their right hand and hold it at the left shoulder, the hand being over the heart. Aliens should stand at attention. The salute to the flag in a moving column should be rendered at the moment the flag passes.";

(18) by striking out section 6 and inserting in lieu thereof the following:

"SEC. 6. During rendition of the national anthem when the flag is displayed, all present except those in uniform should stand at attention facing the flag with the right hand over the heart. Men not in uniform should remove their headdress with their right hand and hold it at the left shoulder, the hand being over the heart. Persons in uniform should render the military salute at the first note of the anthem and retain this position until the last note. When the flag is not displayed, those present should face toward the music and act in the same manner they would if the flag were displayed there.";

(19) by striking out section 7 and inserting in lieu thereof the following:

"SEC. 7. The Pledge of Allegiance to the Flag. 'I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one Nation under God, indivisible, with liberty and justice for all.', should be rendered by standing at attention facing the flag with the right hand over the heart. When not in uniform men should remove their headdress with their right hand and hold it at the left shoulder, the hand being over the heart. Persons in uniform should remain silent, face the flag, and render the military salute."; and

(20) by striking out section 8 and inserting in lieu thereof the following:

"SEC. 8. Any rule or custom pertaining to the display of the flag of the United States of America, set forth herein, may be altered, modified, or repealed, or additional rules with respect thereto may be prescribed, by the Commander in Chief of the Armed Forces of the United States, whenever he deems it to be appropriate or desirable; and any such alteration or additional rule shall be set forth in a proclamation.".

The SPEAKER pro tempore. Is a second demanded?

Mr. KINDNESS. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from California (Mr. EDWARDS) will be recognized for 20 minutes, and the gentleman from Ohio (Mr. KINDNESS) will be recognized for 20 minutes.

The Chair recognizes the gentleman from California (Mr. EDWARDS).

Mr. EDWARDS of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the House Committee on the Judiciary is pleased to bring before the House, Senate Joint Resolution 49, which will amend and bring up to date existing rules and customs pertaining to the display and use of the flag of the United States.

Senate Joint Resolution 49, passed unanimously by the Senate, is the Senate counterpart of House Joint Resolution 321, introduced and supported in the House by two of my distinguished colleagues on the Judiciary Committee, Mr. FLOWERS of Alabama and Mr. MANN of South Carolina. Both Mr. FLOWERS and Mr. MANN testified at the hearing held by my subcommittee, as did representatives of the American Legion, who have been in the forefront of this modernization process through their National Americanism Commission.

The committee has indulged in some minor and technical amendments with the concurrence of our witnesses and in consultation with our colleagues in the other body.

Let me take a few minutes to explain them briefly.

Language was found to be unclear as to the requirement that our flag occupy the place of honor, which is the right of any speaker, especially if other flags are displayed. We believe we have clarified the intent.

Three references were made in Senate Joint Resolution 49 to actions to be taken by women during rendition of our National Anthem, while reciting the Pledge of Allegiance, and during flag ceremonies. In each case prior language was quite clear as to what all persons should do excepting only military personnel and men wearing hats. We deleted these redundant references to women.

Our colleague, Mr. MANN, suggested, and the committee agreed, a rearrangement of the language in one section, while not changing the meaning, was necessary.

Finally, the committee eliminated the creation of a National Flag Commission, as no compelling need for another Federal commission was shown.

I ask that you support this measure in order to have an up-to-date flag code by July 4, 1976.

Mr. KINDNESS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the Senate joint resolution before us does a number of detailed things other than those that have been highlighted by the chairman of the subcommittee, the gentleman from California (Mr. EDWARDS), all of which are in conformity with what was expressed by the gentleman from California (Mr. EDWARDS). The purpose of this Senate joint resolution is an attempt to modernize, clarify, and make easier to understand the rules with respect to the display of the flag and the showing of reverence and respect for the flag during times of usage in public places. I would only add that there is obviously a good bit of support for this clarification from various veterans' organizations. The American Legion has worked very hard to try to establish this kind of action on the part of the Congress.

Mr. Speaker, I urge the support of the Members for passage of the Senate joint resolution.

Mr. EDWARDS of California. Mr. Speaker, I have no requests for time.

The SPEAKER pro tempore (Mr. MCFALL). The question is on the motion offered by the gentleman from California (Mr. EDWARDS) that the House suspend the rules and pass the Senate joint resolution (S.J. Res. 49), as amended.

The question was taken.

Mr. ASHBROOK. Mr. Speaker, on that I demand the yeas and nays.

The SPEAKER pro tempore. Pursuant to the provisions of clause 3(b) of rule XXVII and the Chair's prior announcement, further proceedings on this motion will be postponed.

GENERAL LEAVE

Mr. EDWARDS of California. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on Senate Joint Resolution 49.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

TRANSLATOR BROADCAST STATION OPERATIONS

Mr. VAN DEERLIN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 9689) to amend section 318 of the Communications Act of 1934, as amended, to enable the Federal Communications Commission to authorize translator broadcast stations to originate limited amounts of local programing, and to authorize frequency modulation radio translator stations to operate unattended in the same manner as is now permitted for television broadcast translator stations.

The Clerk read as follows:

H.R. 9689

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That clause (3) of the first proviso of section 318 of the Communications Act of 1934 (47 U.S.C. 318) is amended—

(1) by striking out "solely" and inserting in lieu thereof "primarily", and

(2) by striking out "television".

The SPEAKER pro tempore. Is a second demanded?

Mr. FREY. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from California (Mr. VAN DEERLIN) and the gentleman from Florida (Mr. FREY) will each be recognized for 20 minutes.

The Chair recognizes the gentleman from California (Mr. VAN DEERLIN).

Mr. VAN DEERLIN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, translator stations are low-power broadcasting stations which receive incoming signals from a television or FM radio station, amplify signals, convert or "translate" them to a different output frequency, and retransmit them to the community or area served. Translator stations generally serve remote rural areas where, because of terrain or extreme distances, it is not possible to receive the signals directly from the originating television or FM radio station. In many remote areas, translators provide local residents with their only source of television or FM radio reception.

The Congress enacted amendments to the Communications Act of 1934 concerning translator stations in 1960—Public Law 86-609. At that time there were about 1,000 television translator stations and no FM radio translators. Since then, technology has provided the means whereby FM radio signals can be transmitted via translators. Today there are about 3,600 translator stations providing VHF and UHF television service as well as FM radio.

Translator stations are financed in part by broadcasters licensed by the Federal Communications Commission who want to expand their coverage. In many cases, contributions are solicited throughout the community, or memberships may be sold in a television or FM radio club in order to finance the facility. In this regard, several State legislatures have enacted laws to assist in financing television translator operations. Direct community support is often needed because the vast majority of translators do not generate revenues from their operation.

The Federal Communications Commission has stated that translator stations are not generally self-supporting and must depend on public generosity to sustain their operations. The Commission has also noted that the prohibition on program origination in many instances deprives those people dependent on translator service of their only potential source of local programing such as emergency weather alerts and other major news events. The FCC has therefore requested this legislation which would allow the Commission, after an inquiry and proposed rulemaking, to authorize limited amounts of local origination by translator stations. H.R. 9689 would accomplish this result by substituting the word "primarily" for "solely" in clause (3) of the first proviso of section 318 of the Communications Act of 1934 as amended.

In requesting this legislation, the FCC has suggested that specific limitations on the amount of local origination permitted could best be determined in a Commission rulemaking, and the Chairman of the FCC, the Honorable Richard E. Wiley, has assured the subcommittee that translators will retain their primary characteristics as rebroadcast stations, and will only do very limited amounts of programing and fund solicitation appeals.

Mr. FREY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I join with my colleague, Chairman VAN DEERLIN, in urging support of H.R. 9689. The provision that allows FM radio translator stations to operate without a licensed operator is clearly uncontroversial. The existing provisions of section 318 of the Communications Act allow for such unattended operation of television translators and do not address FM radio, because no such translators existed at the time of its enactment.

The other provision of H.R. 9689 allows the FCC to permit limited amounts of local programing by translators. Under existing law, translators are limited to "solely" rebroadcasting signals. This bill strikes the word "solely" and substitutes the word "primarily," thereby allowing translators to originate some local programing—such as weather warnings—and fund solicitation. Allowing for the fund solicitation is key, for most translators serve small, rural communities that are unserved by television stations or cable TV systems, and they survive on public support.

While under the language of the bill, the FCC could conceivably permit 49 percent local origination and 51 percent rebroadcasting, our committee was assured by the FCC and the translator association that this will not occur. The technology does not exist to make a translator act as a broadcasting station; they testified that they merely intend to use slide inserts to solicit funds or give weather warnings.

The FCC testified further that they do not intend to use such language to allow the substitution of commercial advertising. Their argument is bolstered by section 325 of the Communications Act that the express approval of a station must be obtained before a translator could rebroadcast its signals; and that such approval could be withdrawn if a translator operator substitutes its own advertisements for those of the broadcaster.

Mr. Speaker, this bill is much less complicated than it sounds—it merely means financial viability for a telecommunications service to rural America, and I again urge its passage.

Mr. VAN DEERLIN. Mr. Speaker, I have no requests for time.

Mr. FREY. Mr. Speaker, I have no requests for time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. VAN DEERLIN) that the House suspend the rules and pass the bill (H.R. 9689).

Mr. HARKIN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 3 of rule XXVII, and the Chair's prior announcement, further proceedings on this motion will be postponed.

GENERAL LEAVE

Mr. VAN DEERLIN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

HORSE PROTECTION ACT AMENDMENTS OF 1976

Mr. ROGERS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 13711) to revise and extend the Horse Protection Act of 1970, as amended.

The Clerk read as follows:

H.R. 13711

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

SECTION 1. (a) This Act may be cited as the "Horse Protection Act Amendments of 1976".

(b) Whenever in this Act an amendment is expressed in terms of an amendment to a section or other provision, the reference shall be considered to be made to a section or other provision of the Horse Protection Act of 1970.

SEC. 2. The first section is amended by striking out "of 1970".

SEC. 3. Section 2 (15 U.S.C. 1821) is amended to read as follows:

"SEC. 2. As used in this Act unless the context otherwise requires:

"(1) The term 'management' means any person who organizes, exercises control over, or administers or who is responsible for organizing, directing, or administering.

"(2) The term 'Secretary' means the Secretary of Agriculture.

"(3) The term 'sore' when used to describe a horse means that—

"(A) an irritating or blistering agent has been applied, internally or externally, by a person to any limb of a horse,

"(B) any burn, cut, or laceration has been inflicted by a person on any limb of a horse,

"(C) any tack, nail, screw, or chemical agent has been injected by a person into or used by a person on any limb of a horse, or

"(D) any other substance or device has been used by a person on any limb of a horse or a person has engaged in a practice involving a horse,

and, as a result of such application, infliction, injection, use, or practice, such horse suffers, or can reasonably be expected to suffer, physicial pain or distress, inflammation, or lameness when walking, trotting, or otherwise moving, except that such term does not include such an application, infliction, injection, use, or practice in connection with the therapeutic treatment of a horse by or under the supervision of a person licensed to practice veterinary medicine in the State in which such treatment was given.

"(4) The term 'State' means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, and Guam, American Samoa, and the Trust Territory of the Pacific Islands.".

SEC. 4. Section 3 (15 U.S.C. 1822) is amended to read as follows:

"SEC. 3. The Congress finds and declares that—

"(1) the soring of horses is cruel and inhumane;

"(2) horses shown or exhibited which are sore, where such soreness improves the performance of such horse, compete unfairly with horses which are not sore;

"(3) the movement, showing, exhibition, or sale of sore horses in intrastate commerce adversely affects and burdens interstate and foreign commerce;

"(4) all horses which are subject to regulation under this Act are neither in interstate

or foreign commerce or substantially affect such commerce; and

"(5) regulation under this Act by the Secretary is appropriate to prevent and eliminate burdens upon commerce and to effectively regulate commerce.".

SEC. 5. Section 4 (15 U.S.C. 1823) is amended to read as follows:

"SEC. 4. (a) The management of any horse show or horse exhibition shall disqualify any horse from being shown or exhibited (1) which is sore or (2) if the management has been notified by a person appointed in accordance with regulations under subsection (c) or by the Secretary that the horse is sore.

"(b) The management of any horse sale or auction shall prohibit the sale or auction or exhibition for the purpose of sale of any horse (1) which is sore or (2) if the management has been notified by a person appointed in accordance with regulations under subsection (c) or by the Secretary that the horse is sore.

"(c) The Secretary shall prescribe by regulation requirements for the appointment by the management of any horse show, horse exhibition, or horse sale or auction of persons qualified to detect and diagnose a horse which is sore or to otherwise inspect horses for the purposes of enforcing this Act. Such requirements shall prohibit the appointment of persons who, after notice and opportunity for a hearing, have been disqualified by the Secretary to make such detection, diagnosis, or inspection. Appointment of a person in accordance with the requirements prescribed under this subsection shall not be construed as authorizing such person to conduct inspections in a manner other than that prescribed for inspections by the Secretary (or the Secretary's representative) under subsection (e).

"(d) The management of a horse show, horse exhibition, or horse sale or auction shall establish and maintain such records, make such reports, and provide such information as the Secretary may by regulation reasonably require for the purposes of implementing this Act or to determine compliance with this Act. Upon request of an officer or employee duly designated by the Secretary, such management shall permit entry at all reasonable times for the inspection and copying (on or off the premises) of records required to be maintained under this subsection.

"(e) For purposes of enforcement of this Act (including any regulation promulgated under this Act) the Secretary, or any representative of the Secretary duly designated by the Secretary, may inspect any horse show, horse exhibition, or horse sale or auction or any horse at any such show, exhibition, sale, or auction. Such an inspection may only be made upon presenting appropriate credentials. Each such inspection shall be commenced and completed with reasonable promptness and shall be conducted within reasonable limits and in a reasonable manner. An inspection under this subsection shall extend to all things (including records) bearing on whether the requirements of this Act have been complied with.".

SEC. 6. Section 5 (15 U.S.C. 1824) is amended to read as follows:

"SEC. 5. The following conduct is prohibited:

"(1) The shipping, transporting, moving, delivering, or receiving of any horse which is sore with reason to believe that such horse while it is sore may be shown, exhibited, entered for the purpose of being shown or exhibited, sold, auctioned, or offered for sale, in any horse show, horse exhibition, or horse sale or auction; except that this paragraph does not apply to the shipping, transporting, moving, delivering, or receiving of any horse by a common or contract carrier or an employee thereof in the usual course of the carrier's business or employee's employment unless the carrier has reason to believe that such horse is sore.

"(2) The (A) showing or exhibition, in any horse show or horse exhibition, of any horse which is sore, (B) entering for the purpose of showing or exhibiting in any horse show or horse exhibition, any horse which is sore, (C) selling, auctioning, or offering for sale, in any horse sale or auction, any horse which is sore, and (D) allowing any activity described in clause (A), (B), or (C) respecting a horse which is sore by the owner of such horse.

"(3) The failure by the management of any horse show or horse exhibition, which does not appoint and retain a person in accordance with section 4(c) of this Act, to disqualify from being shown or exhibited any horse which is sore.

"(4) The failure by the management of any horse sale or auction, which does not appoint and retain a qualified person in accordance with section 4(c) of this Act, to prohibit the sale, offering for sale, or auction of any horse which is sore.

"(5) The failure by the management of any horse show or horse exhibition, which has appointed and retained a person in accordance with section 4(c) of this Act, to disqualify from being shown or exhibited any horse (A) which is sore, and (B) after having been notified by such person or the Secretary that the horse is sore or after otherwise having knowledge that the horse is sore.

"(6) The failure by the management of any horse sale or auction which has appointed and retained a person in accordance with section 4(c) of this Act, to prohibit the sale, offering for sale, or auction of any horse (A) which is sore, and (B) after having been notified by such person or the Secretary or after otherwise having knowledge that the horse is sore.

"(7) The showing or exhibiting at a horse show or horse exhibition; the selling or auctioning at a horse sale or auction; the allowing to be shown, exhibited, or sold at a horse show, horse exhibition, or horse sale or auction; the entering for the purpose of showing or exhibiting in any horse show or horse exhibition; or offering for sale at a horse sale or auction, any horse which is wearing or bearing any equipment, device, paraphernalia, or substance which the Secretary by regulation under section 9 prohibits to prevent the soring of horses.

"(8) The failing to establish, maintain, or submit records, notices, reports, or other information required under section 4.

"(9) The failure or refusal to permit access to or copying of records, or the failure or refusal to permit entry or inspection, as required by section 4.

"(10) The removal of any marking required by the Secretary to identify a horse as being detained.

"(11) The failure or refusal to provide the Secretary with adequate space or facilities, as the Secretary may by regulation under section 9 prescribe, in which to conduct inspections or any other activity authorized to be performed by the Secretary under this Act.".

SEC. 7. Section 6 (15 U.S.C. 1825) is amended to read as follows:

"SEC. 6. (a) (1) Except as provided in paragraph (2) of this subsection, any person who knowingly violates section 5 shall, upon conviction thereof, be fined not more than $3,000, or imprisoned for not more than one year, or both.

"(2) (A) If any person knowingly violates section 5, after one or more prior convictions of such person for such a violation have become final, such person shall, upon conviction thereof, be fined not more than $5,000, or imprisoned for not more than two years, or both.

"(B) Any person who knowingly makes, or causes to be made, a false entry or statement in any report required under this Act; who knowingly makes, or causes to be made, any false entry in any account, record, or memorandum required to be established and maintained by any person or in any notification or other information required to be submitted to the Secretary under section 4 of this Act; who knowingly neglects or fails to make or cause to be made, full, true, and correct entries in such accounts, records, memoranda, notification, or other materials; who knowingly removes any such documentary evidence out of the jurisdiction of the United States; who knowingly mutilates, alters, or by any other means falsifies any such documentary evidence; or who knowingly refuses to submit any such documentary evidence to the Secretary for inspection and copying shall be guilty of an offense against the United States, and upon conviction thereof shall be fined not more than $5,000, or imprisoned for not more than three years, or both.

"(C) Any person who forcibly assaults, resists, opposes, impedes, intimidates, or interferes with any person while engaged in or on account of the performance of his official duties under this Act shall be fined not more than $5,000, or imprisoned not more than three years, or both. Whoever, in the commission of such acts, uses a deadly or dangerous weapon shall be find not more than $10,000, or imprisoned not more than ten years, or both. Whoever kills any person while engaged in or on account of the performance of his official duties under this Act shall be punishable as provided under sections 1111 and 1112 of title 18, United States Code.

"(b) (1) Any person who violates section 5 of this Act shall be liable to the United States for a civil penalty of not more than $2,000 for each violation. No penalty shall be assessed unless such person is given notice and opportunity for a hearing before the Secretary with respect to such violation. The amount of such civil penalty shall be assessed by the Secretary by written order. In determining the amount of such penalty, the Secretary shall take into account all factors relevant to such determination, including the nature, circumstances, extent, and gravity of the prohibited conduct and, with respect to the person found to have engaged in such conduct, the degree of culpability, any history of prior offenses, ability to pay, effect on ability to continue to do business, and such other matters as justice may require.

"(2) Any person against whom a violation is found and a civil penalty assessed under paragraph (1) of this subsection may obtain review in the court of appeals of the United States for the circuit in which such person resides or has his place of business or in the United States Court of Appeals for the District of Columbia Circuit by filing a notice of appeal in such court within 30 days from the date of such order and by simultaneously sending a copy of such notice by certified mail to the Secretary. The Secretary shall promptly file in such court a certified copy of the record upon which such violation was found and such penalty assessed, as provided in section 2112 of title 28, United States Code. The findings of the Secretary shall be set aside if found to be unsupported by substantial evidence.

"(3) If any person fails to pay an assessment of a civil penalty after it has become a final and unappealable order, or after the appropriate court of appeals has entered final judgment in favor of the Secretary, the Secretary shall refer the matter to the Attorney General, who shall recover the amount assessed in any appropriate district court of the United States. In such action, the validity and appropriateness of

the final order imposing the civil penalty shall not be subject to review.

"(4) The Secretary may, in his discretion, compromise, modify, or remit, with or without conditions, any civil penalty assessed under this subsection.

"(c) In addition to any fine, imprisonment, or civil penalty authorized under this section, any person who was convicted under subsection (a) or who paid a civil penalty assessed under subsection (b) or is subject to a final order under such subsection assessing a civil penalty for any violation of any provision of this Act or any regulation issued under this Act may be disqualified by order of the Secretary, after notice and an opportunity for a hearing before the Secretary, from showing or exhibiting any horse, judging or managing any horse show, horse exhibition, or horse sale or auction for a period of not less than one year for the first violation and not less than five years for any subsequent violation. Any person who knowingly fails to obey an order of disqualification shall be subject to a civil penalty of not more than $3,000 for each violation. Any horse show, horse exhibition, or horse sale or auction, or the management thereof, collectively and severally, which knowingly allows any person who is under an order of disqualification to show or exhibit any horse, to enter for the purpose of showing or exhibiting any horse, to take part in managing or judging, or otherwise to participate in any horse show, horse exhibition, or horse sale or auction in violation of an order shall be subject to a civil penalty of not more than $3,000 for each violation. The provisions of subsection (b) respecting the assessment, review, collection, and compromise, modification, and remission of a civil penalty apply with respect to civil penalties under this subsection.

"(d)(1) The Secretary may require by subpena the attendance and testimony of witnesses and the production of books, papers, and documents relating to any matter under investigation or the subject of a proceeding. Witnesses summoned before the Secretary shall be paid the same fees and mileage that are paid witnesses in the courts of the United States.

"(2) The attendance of witnesses, and the production of books, papers, and documents, may be required at any designated place from any place in the United States. In case of disobedience to a subpena the Secretary, or any party to a proceeding before the Secretary, may invoke the aid of any appropriate district court of the United States in requiring attendance and testimony of witnesses and the production of such books, papers, and documents under the provisions of this Act.

"(3) The Secretary may order testimony to be taken by deposition under oath in any proceeding or investigation pending before him, at any stage of the proceeding or investigation. Depositions may be taken before any person designated by the Secretary who has power to administer oaths. The Secretary may also require the production of books, papers, and documents at the taking of depositions.

"(4) Witnesses whose depositions are taken and the persons taking them shall be entitled to the same fees as paid for like services in the courts of the United States or in other jurisdictions in which they may appear.

"(5) In any civil or criminal action to enforce this Act or any regulation under this Act a horse shall be presumed to be a horse which is sore if it manifests abnormal sensitivity or inflammation in both of its forelimbs or both of its hindlimbs.

"(6) The United States district courts, the District Court of Guam, the District Court of the Virgin Islands, the highest court of American Samoa, and the United States courts of the other territories, are vested with jurisdiction specifically to enforce, and to prevent and restrain violations of this Act, and shall have jurisdiction in all other kinds of cases arising under this Act, except as provided in subsection (b) of this section.

"(e)(1) The Secretary may detain (for a period not to exceed twenty-four hours) for examination, testing, or the taking of evidence, any horse at any horse show, horse exhibit, or horse sale or auction which is sore or which the Secretary has probable cause to believe is sore. The Secretary may require the temporary marking of any horse during the period of its detention for the purpose of identifying the horse as detained. A horse which is detained subject to this paragraph shall not be moved by any person from the place it is so detained except as authorized by the Secretary or until the expiration of the detention period applicable to the horse.

"(2) Any equipment, device, paraphernalia, or substance which was used in violation of any provision of this Act or any regulation issued under this Act or which contributed to the soring of any horse at or prior to any horse show, horse exhibition, or horse sale or auction shall be liable to be proceeded against, by process of libel for the seizure and condemnation of such equipment, device, paraphernalia, or substance, in any United States district court within the jurisdiction of which such equipment, device, paraphernalia, or substance is found. Such proceedings shall conform as nearly as possible to proceedings in admiralty.".

SEC. 8. Section 8 (15 U.S.C. 1827) is amended by inserting "(a)" after "SEC. 8." and by adding at the end of such section the following:

"(b) The Secretary may, upon request, provide technical and other nonfinancial assistance (including the lending of equipment on such terms and conditions as the Secretary determines is appropriate) to any State to assist it in administering and enforcing any law of such State designed to prohibit conduct described in section 5.".

SEC. 9. Section 11 (15 U.S.C. 1830) is amended by striking out "twenty-four calendar-month period" and inserting in lieu thereof "twelve calendar months".

SEC. 10. Effective July 1, 1976, section 12 (15 U.S.C. 1831) is amended to read as follows:

"SEC. 12. There are authorized to be appropriated to carry out this Act $125,000 for the period beginning July 1, 1976, and ending September 30, 1976; and for the fiscal year beginning October 1, 1976, and for each fiscal year thereafter there are authorized to be appropriated such sums, not to exceed $500,000, as may be necessary to carry out this Act.".

The SPEAKER pro tempore. Is a second demanded?

Mr. CARTER. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Florida (Mr. ROGERS) and the gentleman from Kentucky (Mr. CARTER) will be recognized for 20 minutes each.

The Chair recognizes the gentleman from Florida (Mr. ROGERS).

Mr. ROGERS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am pleased to be joined by my distinguished colleague on the subcommittee, Mr. PREYER, in sponsoring H.R. 13711, the Horse Protection Act Amendments of 1976. This legislation is the product of hearings and executive sessions held by the Subcommittee on Health and Environment this year. Similar legislation passed the Senate last October.

The inhumane practice of "soring" horses and its economically destructive effect upon the horse industry led Congress to pass the original Horse Protection Act on December 9, 1970. The 1970 law was intended to eliminate this cruel and unnecessary practice by making unlawful the exhibiting and showing of sored horses and by imposing significant penalities for violations.

The practice of "soring" involves the alteration of the gait of a horse by the infliction of pain through the use of devices, substances, and other quick and artificial methods, instead of through careful breeding and patient training. The soring of a horse can thus produce the high-stepping gait of the well-known Tennessee Walking Horse, as well as the gaits of other popular gaited horse breeds.

The practice of sorings also results in unfair competition and can ultimately damage the integrity of the horse breed. A mediocre horse, whose high-stepping gait is achieved artificially through soring, competes unfairly with a properly and patiently trained "sound" horse with championship natural ability. If horses continue to win horse shows as a result of soring, the horse breed's natural gait abilities cannot be preserved and the value of properly trained championship horses will diminish.

Despite the enactment of the Horse Protection Act of 1970, our subcommittee hearings revealed that the practice of soring has continued on a widespread basis. The original law has not been successful for a number of reasons. First, the Department of Agriculture has not had adequate resources to carry out its responsibilities under the Horse Protection Act. The current annual statutory authorization maximum of $100,000 permits the Department to employ only one full-time staffer and to inspect only 20 horse shows out of an estimated 3,600 annually. In addition, the Department needs thermovision machines, costing $50,000 each, and other more sophisticated equipment to detect soring where the pain has been masked by application or injection of anesthetic substances. In addition, the Department has been hampered by lack of subpena authority, lack of authority to disqualify recidivist violators from competition for periods of time, lack of authority to limit the trafficking of sored horses, lack of authority to administratively detain a horse for testing and examination, and lack of authority to seize illegal equipment used in soring a horse.

H.R. 13711, the committee reported bill, provides for a revision and extension of the horse protection program. It authorizes $125,000 for the 1976 fiscal transition quarter and $500,000 annually thereafter for the Department of Agriculture to carry out the program. The comparable authorization level under existing law is $100,000 annually. The committee bill provides new and increased civil and criminal penalties and competition disqualification proceedings for violators of the law. It authorizes the

Secretary to administratively detain a horse at a horse show, for a period not to exceed 24 hours, for examination, testing, and obtaining evidence. It authorizes the Secretary to seize and institute condemnation proceedings against devices and equipment contributing to the soring of a horse. It authorizes the Secretary to subpena the attendance and testimony of witnesses and the production of books, papers, and documents relating to matters under investigation. It provides authority for the inspection of horse shows, exhibitions, sales, and auctions and records required to be maintained under the act or its regulations.

Finally, it requires the management of a horse show, exhibition, sale or auction to disqualify a horse from being shown or sold after being notified by a qualified management appointed inspector or the Secretary that the horse is sore or if management has knowledge that a horse is sore.

In summary, the committee finds a need for increased statutory authority and increased economic resources for the USDA to carry out its responsibilities under the 1970 Horse Protection Act. I believe H.R. 13711, the bill proposed by the committee, provides the necessary statutory authority for the Department to carry out the horse protection program, without significant Federal expenditures.

Mr. Speaker, I wish to commend Chairman STAGGERS, Dr. CARTER, Mr. PREYER, Mr. WHITEHURST, Mr. UDALL, and the other members for their efforts in support of this legislation. I also wish to express my thanks to the staff of the Department of Agriculture, the Tennessee Walking Horse Breeders and Owners Association, the American Horse Protection Association, the American Horse Council, the Society for Animal Protection Legislation, and all the other industry and humane organizations and individuals for their efforts and cooperation in developing this legislation. I urge all of my colleagues in the House to join me in support of H.R. 13711.

Mr. CARTER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I support H.R. 13711—the Horse Protection Act Amendments of 1976. This legislation provides for a revision and extension of the existing program of the Department of Agriculture, with a total annual authorization level of $500,000.

The subcommittee and full committee gave this bill careful consideration—and took into account various points of view.

As a result—this bill is acceptable to all groups concerned with the humane treatment of horses: The Department of Agriculture, the American Horse Council, the Tennessee Walking Horses representatives, humane groups, and the Office of Management and Budget.

I am pleased we were able to develop a bill which reflects the consensus of all these groups.

The present horse protection program began with the enactment of the Horse Protection Act of 1970 in an attempt to end the unnecessary, cruel, and inhumane practice of soring horses.

Testimony earlier this year given before the subcommittee revealed that despite enactment of the Horse Protection Act, the practice of soring has continued on a widespread basis. Others testified that the Department of Agriculture lacked adequate resources for effective enforcement of the legislation.

To meet these concerns, the subcommittee has amended the original legislation to revise the enforcement authority and to increase the financial resources of the Department of Agriculture from an authorization of $100,000 to an annual authorization of $500,000.

I urge favorable consideration of this legislation which is designed to strengthen the Horse Protection Act of 1970.

Attached is a summary of the legislation:

H.R. 13711, as reported, provides for a revision and extension of the existing program of the Department of Agriculture relating to horse protection at a total annual authorization level of $500,000. The legislation makes the following substantive modifications in the existing law governing this program:

1. Revises the definition of "sore" under existing law to eliminate the requirement that the soring of a horse must be done with the specific intent or purpose of affecting its gait.

2. Provides that a horse shall be presumed to be sore if it manifests abnormal sensitivity or inflamation in both of its forelimbs or both of its hindlimbs.

3. Requires the management of any horse show or exhibition to disqualify from being shown or exhibited any horse which is sore after being notified by a qualified person appointed by management to inspect horses or by the Secretary of Agriculture (hereinafter referred to as the "Secretary") that the horse is sore.

4. Requires management of any horse sale to prohibit the sale or auction or exhibition for the purpose of sale of any horse which is sore or if notified by a qualified person appointed by management to inspect horses or by the Secretary that the horse is sore.

5. Directs the Secretary to prescribe, by regulation, requirements for the appointment by show or auction management of persons qualified to detect and diagnose a horse which is sore or to otherwise inspect horses for the purposes of enforcing the Act and provides that such requirements shall prohibit the appointment of persons who, after notice and opportunity for a hearing, have been disqualified to make such detection, diagnosis or inspection.

6. Requires the management of a horse show, horse exhibition, horse sale or auction to establish and maintain such records, make such reports, and provide such information as the Secretary may by regulation reasonably require for the purposes of implementing and enforcing the Act.

7. Requires management, upon request of an officer or employee designated by the Secretary, to permit entry at all reasonable times for the inspection and copying (on or off premises) of such records which the Secretary requires to be maintained.

8. Authorizes the Secretary or his designated representative to inspect any horse show, exhibition, horse sale or auction and any horse at such show, exhibition, sale or auction and requires that such inspection be commenced and completed with reasonable promptness, conducted within reasonable limits and in a reasonable manner.

9. Revises the provisions which prescribe the conduct prohibited by the Act.

10. Modifies the standard of mental culpability for criminal violations of the Act from a "willful" standard to a "knowing" standard.

11. Provides new and increased criminal and civil penalties for violations of the Act.

12. Provides that a person who has been convicted for a criminal violation of the Act, or has paid a civil penalty assessed under the Act, or who is subject to a final order of assessment of a civil penalty under the Act, for a violation of the Act or regulation, may be disqualified by order of the Secretary (after notice and opportunity for a hearing) from showing or exhibiting any horse, judging or managing a horse show, exhibition, sale or auction for a period not less than one year for the first violation and not less than 5 years for any subsequent violation.

13. Provides procedures for the administrative assessment, collection, review, compromise, modification, and remission of civil penalties and for the appeal and judicial review of administrative orders under the provisions of the Act pertaining to civil penalties.

14. Authorizes the Secretary to subpoena the attendance and testimony of witnesses and the production of books, papers, and documents, relating to any matter under investigation or the subject of a proceeding.

15. Authorizes the Secretary, or any party to a proceeding before the Secretary, to invoke the aid of the U.S. district court in requiring attendance and testimony of witnesses and the production of books, papers, and documents in cases of disobedience to a subpoena issued under the Act.

16. Authorizes the Secretary to order testimony to be taken by deposition under oath in any proceeding or investigation pending before him and to require the production of books, papers, and documents at the taking of depositions.

17. Authorizes the Secretary to retain (for a period not to exceed 24 hours) for examination, testing, or the taking of evidence, any horse at any horse show, exhibition, sale or auction, which is sore or which the Secretary has probable cause to believe is sore.

18. Provides that any equipment, device, paraphernalia, or substance which was used in violation of the Act or regulation or which contributed to the soring of a horse at or prior to a show, exhibition, sale or auction, is subject to seizure be liable for condemnation proceedings in the U.S. District Court where such equipment, device, paraphernalia, or substance is found.

19. Provides that the Secretary may, upon request, provide technical and other nonfinancial assistance to any State to assist it in administering and enforcing any law of such State designed to prohibit conduct in violation of this Act.

20. Requires the Secretary, every 12 months, to submit to Congress a report on enforcement and administrative actions taken under, and other matters covered by the Act, as well as recommendations for legislation or other proposed actions relating to the Act.

21. Increases the annpal maximum authorization of appropriations for carrying out the Act from $100,000 to $500,000, effectively September 30, 1976, and authorizes an appropriation of $125,000 for the fiscal 1976 transition quarter.

Mr. ROGERS. Mr. Speaker, I yield such time as he may consume to the distinguished gentleman from Wyoming (Mr. RONCALIO).

Mr. RONCALIO. Mr. Speaker, I thank the distinguished gentleman from Florida for yielding to me, and I ask a question the answer to which may well be obvious. First let me say that we in the western part of the United States

are reluctant to inject ourselves in arguments over methods used in the raising of horses in Tennessee and Kentucky, and their methods of training horses. But I nevertheless would ask the gentleman from Florida if the appropriation increase from $150,000 to $500,000 is really substantiated by evidence presented before the subcommittee?

Mr. ROGERS. Yes. We feel that this is necessary in order to insure that they do a proper job.

Mr. RONCALIO. I thank the gentleman.

Mr. ROGERS. Mr. Speaker, I have no further requests for time.

The SPEAKER. The question is on the motion offered by the gentleman from Florida (Mr. ROGERS), that the House suspend the rules and pass the bill H.R. 13711, as amended.

The question was taken.

Mr. HARKIN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER. Pursuant to clause 3 of rule XXVII, and the Chair's prior announcement, further proceedings on this motion will be postponed.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. Debate has been concluded on all motions to suspend the rules.

Pursuant to clause 3, rule XXVII, the Chair will now put the question on each motion, on which further proceedings were postponed, in the order in which that motion was entertained.

Votes will be taken in the following order:

Senate Joint Resolution 203, by the yeas and nays; H.R. 14299, by the yeas and nays; H.R. 14298, by the yeas and nays; Senate Joint Resolution 49, by the yeas and nays; H.R. 9689, by the yeas and nays; and H.R. 13711, by the yeas and nays.

The Chair will reduce to 5 minutes the time for any electronic votes after the first such vote in this series.

EMERGENCY TECHNICAL PROVISIONS TO HIGHER EDUCATION ACT

The SPEAKER. The unfinished business is the question of suspending the rules and passing the Senate joint resolution (S.J. Res. 203).

The Clerk read the title of the Senate joint resolution.

The SPEAKER. The question is on the motion offered by the gentleman from Kentucky (Mr. PERKINS) that the House suspend the rules and pass the Senate joint resolution, Senate Joint Resolution 203, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 350, nays 0, not voting 81, as follows:

[Roll No. 414]

YEAS—350

Abdnor
Adams
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Aspin
AuCoin
Badillo
Bafalis
Baldus
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bennett
Bergland
Bevill
Bingham
Blanchard
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Byron
Carney
Carr
Carter
Cederberg
Chappell
Chisholm
Clancy
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Collins, Tex.
Conable
Conte
Conyers
Cornell
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Davis
Delaney
Dellums
Dent
Derrick
Derwinski
Devine
Diggs
Dingell
Dodd
Downey, N.Y.
Downing, Va.
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Esch
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fary
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fraser
Frenzel
Frey
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Gradison
Grassley
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammer-schmidt
Hannaford
Harkin
Harris
Harsha
Hawkins
Hayes, Ind.
Hébert
Hechler, W. Va.
Heckler, Mass.
Henderson
Hicks
Hillis
Holland
Holt
Holtzman
Horton
Howard
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jacobs
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, Ala.
Jones, N.C.
Jordan
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Keys
Kindness
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Latta
Lehman
Lent
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
Lundine
McClory
McCollister
McEwen
McFall
McHugh
McKay
Madden
Madigan
Mahon
Mann
Martin
Matsunaga
Mazzoli
Meeds
Melcher
Meyner
Mezvinsky
Michel
Mikva
Miller, Calif.
Miller, Ohio
Mills
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Mottl
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nichols
Nowak
Oberstar
Obey
O'Brien
Ottinger
Passman
Patten, N.J.
Patterson, Calif.
Paul
Perkins
Pettis
Pickle
Pike
Poage
Pressler
Preyer
Price
Pritchard
Quie
Quillen
Railsback
Randall
Rangel
Rees
Regula
Reuss
Richmond
Riegle
Rinaldo
Roberts
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Roush
Rousselot
Roybal
Runnels
Ruppe
Russo
Ryan
St Germain
Sarasin
Satterfield
Scheuer
Schneebeli
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shriver
Shuster
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stark
Steed
Steelman
Steiger, Wis.
Stokes
Stratton
Studds
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson
Thone
Thornton
Traxler
Treen
Tsongas
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waggonner
Wampler
Waxman
Weaver
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Winn
Wirth
Wylie
Yates
Yatron
Young, Fla.
Young, Ga.
Young, Tex.
Zablocki

NAYS—0

NOT VOTING—81

Abzug
Addabbo
Alexander
Allen
Ambro
Ashley
Bell
Biaggi
Biester
Blouin
Brinkley
Butler
Conlan
Corman
Cotter
Danielson
de la Garza
Dickinson
Eckhardt
Edgar
Eshleman
Foley
Green
Hanley
Hansen
Harrington
Hays, Ohio
Hefner
Heinz
Helstoski
Hightower
Hinshaw
Howe
Jarman
Johnson, Pa.
Jones, Okla.
Jones, Tenn.
Karth
Landrum
Leggett
Litton
McCloskey
McCormack
McDade
McDonald
McKinney
Maguire
Mathis
Metcalfe
Milford
Moakley
Murphy, Ill.
Murphy, N.Y.
Nedzi
Nix
Nolan
O'Hara
O'Neill
Pattison, N.Y.
Pepper
Peyser
Rhodes
Risenhoover
Rostenkowski
Santini
Sarbanes
Stanton, James V.
Steiger, Ariz.
Stephens
Stuckey
Sullivan
Symington
Udall
Walsh
Wilson, C. H.
Wilson, Tex.
Wolff
Wright
Wydler
Young, Alaska
Zeferetti

The Clerk announced the following pairs:

Mr. Addabbo with Mr. O'Hara.
Mr. Zeferetti with Mr. Green.
Mr. Cotter with Mr. Udall.
Mr. Helstoski with Mr. James V. Stanton.
Mr. Litton with Mr. Harrington.
Mr. Charles H. Wilson of California, with Mr. Karth.
Mr. Santini with Mr. Bell.
Mr. Rostenkowski with Mr. Biester.
Mr. Pepper with Mr. Conlan.
Mr. O'Neill with Mr. Eshleman.
Mr. Ambro with Mr. Heinz.
Mr. Biaggi with Mr. Jarman.
Mr. Hanley with Mr. Johnson of Pennsylvania.
Mr. Murphy of New York with Mr. McCloskey.
Mr. Nix with Mr. Blouin.
Mr. Moakley with Mr. McDade.
Mr. Wright with Mr. McKinney.
Mr. Wolff with Mr. Steiger of Arizona.
Mr. Ashley with Mr. Peyser.
Mr. McDonald with Mr. Stuckey.
Mr. Jones of Oklahoma wih Mr. Butler.
Mr. Corman with Mrs. Sullivan.
Mr. Hays of Ohio with Mr. Dickinson.
Mr. Pattison of New York with Mr. Symington.
Mr. Allen with Mr. Walsh.
Ms. Abzug with Mr. Sarbanes.
Mr. Mathis with Mr. Hansen.
Mr. Murphy of Illinois with Mr. Charles Wilson of Texas.
Mr. Foley with Mr. Wydler.
Mr. de la Garza with Mr. Young of Alaska.
Mr. Danielson with Mr. Leggett.
Mr. Brinkley with Mr. Stephens.
Mr. Nolan with Mr. Nedzi.
Mr. Risenhoover with Mr. Maguire.
Mr. Metcalfe with Mr. Eckhardt.
Mr. Milford with Mr. Landrum.
Mr. McCormack with Mr. Edgar.
Mr. Hightower with Mr. Howe.

So (two-thirds having voted in favor thereof), the rules were suspended and the Senate joint resolution was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

A similar House joint resolution (H.J. Res. 984) was laid on the table.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. Pursuant to the provisions of clause 3(b)(3) of rule XXVII, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device may be taken on all the additional motions to suspend the rules on which the Chair has postponed further proceedings.

DISABILITY COMPENSATION FOR DISABLED VETERANS

The SPEAKER. The unfinished business is the question of suspending the rules and passing the bill H.R. 14299.

The clerk read the title of the bill.

The SPEAKER. The question is on the motion offered by the gentleman from Texas (Mr. ROBERTS) that the House suspend the rules and pass the bill H.R. 14299, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 351, nays 0, not voting 80, as follows:

[Roll No. 415]

YEAS—351

Abdnor
Adams
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Aspin
AuCoin
Badillo
Bafalis
Baldus
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bennett
Bergland
Bevill
Bingham
Blanchard
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Byron
Carney
Carr
Carter
Cederberg
Chappell
Chisholm
Clancy
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Collins, Tex.
Conable
Conte
Cornell
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Davis
Delaney
Dellums
Dent
Derrick
Derwinski
Devine
Diggs
Dingell
Dodd
Downey, N.Y.
Downing, Va.
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Esch
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fary
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fraser
Frenzel
Frey
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Gradison
Grassley
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammer-schmidt
Hannaford
Harkin
Harris
Harsha
Hawkins
Hayes, Ind.
Hébert
Hechler, W. Va.
Heckler, Mass.
Henderson
Hicks
Hillis
Holland
Holt
Holtzman
Horton
Howard
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jacobs
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, Ala.
Jones, N.C.
Jordan
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Keys
Kindness
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Latta
Leggett
Lehman
Lent
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
Lundine
McClory
McCollister
McEwen
McFall
McHugh
McKay
Madden
Madigan
Mahon
Mann
Martin
Matsunaga
Mazzoli
Meeds
Melcher
Meyner
Mezvinsky
Michel
Mikva
Miller, Calif.
Miller, Ohio
Mills
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Mottl
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nichols
Nowak
Oberstar
Obey
O'Brien
Ottinger
Passman
Patten, N.J.
Patterson, Calif.
Paul
Perkins
Pettis
Pickle
Pike
Poage
Pressler
Preyer
Price
Pritchard
Quie
Quillen
Railsback
Randall
Rangel
Rees
Regula
Reuss
Richmond
Riegle
Rinaldo
Roberts
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Roush
Rousselot
Roybal
Runnels
Ruppe
Russo
Ryan
St Germain
Sarasin
Satterfield
Scheuer
Schneebeli
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shriver
Shuster
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stark
Steed
Steelman
Steiger, Wis.
Stokes
Stratton
Studds
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson
Thone
Thornton
Traxler
Treen
Tsongas
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waggonner
Wampler
Waxman
Weaver
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Winn
Wirth
Wylie
Yates
Yatron
Young, Fla.
Young, Ga.
Young, Tex.
Zablocki

NAYS—0

NOT VOTING—80

Abzug
Addabbo
Allen
Ambro
Ashley
Bell
Biaggi
Biester
Blouin
Brinkley
Butler
Conlan
Conyers
Corman
Cotter
Danielson
de la Garza
Dickinson
Drinan
Eckhardt
Eshleman
Foley
Green
Hanley
Hansen
Harrington
Hays, Ohio
Hefner
Heinz
Helstoski
Hightower
Hinshaw
Howe
Jarman
Johnson, Pa.
Jones, Okla.
Jones, Tenn.
Karth
Landrum
Litton
McCloskey
McCormack
McDade
McDonald
McKinney
Maguire
Mathis
Metcalfe
Milford
Moakley
Murphy, Ill.
Murphy, N.Y.
Nedzi
Nix
Nolan
O'Hara
O'Neill
Pattison, N.Y.
Pepper
Peyser
Rhodes
Risenhoover
Rostenkowski
Santini
Sarbanes
Stanton, James V.
Steiger, Ariz.
Stephens
Stuckey
Sullivan
Symington
Udall
Walsh
Wilson, C. H.
Wilson, Tex.
Wolff
Wright
Wydler
Young, Alaska
Zeferetti

The Clerk announced the following pairs:

Mr. Addabbo with Mr. O'Hara.
Mr. Zeferetti with Mr. Green.
Mr. Cotter with Mr. Udall.
Mr. Helstoski with Mr. James V. Stanton.
Mr. Litton with Mr. Harrington.
Mr. Charles H. Wilson of California with Mr. Karth.
Mr. Santini with Mr. Bell.
Mr. Rostenkowski with Mr. Biester.
Mr. Pepper with Mr. Conlan.
Mr. O'Neill with Mr. Eshleman.
Mr. Ambro with Mr. Heinz.
Mr. Biaggi with Mr. Jarman.
Mr. Hanley with Mr. Johnson of Pennsylvania.
Mr. Murphy of New York with Mr. McCloskey.
Mr. Nix with Mr. Blouin.
Mr. Moakley with Mr. McDade.
Mr. Wright with Mr. McKinney.
Mr. Wolff with Mr. Steiger of Arizona.
Mr. Ashley with Mr. Peyser.
Mr. McDonald with Mr. Stuckey.
Mr. Jones of Oklahoma with Mr. Butler.
Mr. Corman with Mrs. Sullivan.
Mr. Hays of Ohio with Mr. Dickinson.
Mr. Allen with Mr. Walsh.
Ms. Abzug with Mr. Sarbanes.
Mr. Mathis with Mr. Hansen.
Mr. Murphy of Illinois with Mr. Charles Wilson of Texas.
Mr. Foley with Mr. Wydler.
Mr. de la Garza with Mr. Young of Alaska.
Mr. Danielson with Mr. Nedzi.
Mr. Brinkley with Mr. Maguire.
Mr. Nolan with Mr. Eckhardt.
Mr. Risenhoover with Mr. Landrum.
Mr. Metcalfe with Mr. Jones of Tennessee.
Mr. Milford with Mr. Drinan.
Mr. McCormack with Mr. Stephens.
Mr. Hefner with Mr. Howe.
Mr. Hightower with Mr. Symington.

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

VETERANS AND SURVIVORS PENSION ADJUSTMENT ACT OF 1976

The SPEAKER. The unfinished business is the question of suspending the rules and passing the bill, H.R. 14298, as amended.

The Clerk read the title of the bill.

The SPEAKER. The question is on the motion offered by the gentleman from Texas (Mr. ROBERTS) that the House suspend the rules and pass the bill H.R. 14298, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device; and there were—yeas 354, nays 0, not voting 77, as follows:

[Roll No. 416]

YEAS—354

Abdnor
Adams
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Aspin
AuCoin
Badillo
Bafalis
Baldus
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bennett
Bergland
Bevill
Bingham
Blanchard
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Byron
Carney
Carr
Carter
Cederberg
Chappell
Chisholm
Clancy
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Collins, Tex.
Conable
Conte
Conyers
Cornell
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Davis
Delaney
Dellums
Dent
Derrick

Derwinski
Devine
Diggs
Dingell
Dodd
Downey, N.Y.
Downing, Va.
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Esch
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fary
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fraser
Frenzel
Frey
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Gradison
Grassley
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammer-schmidt
Hannaford
Harkin
Harris
Harsha
Hawkins
Hayes, Ind.
Hébert
Hechler, W. Va.
Heckler, Mass.
Henderson
Hicks
Hillis
Holland
Holt
Holtzman
Horton
Howard
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jacobs
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, Ala.
Jones, N.C.
Jordan
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Keys
Kindness
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Latta
Leggett
Lehman
Lent
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
Lundine
McClory
McCollister
McEwen
McFall
McHugh
McKay
Madden
Madigan
Mahon
Mann
Martin
Matsunaga
Mazzoli
Meeds
Melcher
Meyner
Mezvinsky
Michel
Mikva
Miller, Calif.
Miller, Ohio
Mills
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Motti
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nichols
Nowak
Oberstar
Obey
O'Brien
Ottinger
Passman
Patten, N.J.
Patterson, Calif.
Paul
Perkins
Pettis
Pickle
Pike
Poage
Pressler
Preyer
Price
Pritchard
Quie
Quillen
Railsback
Randall
Rangel
Rees
Regula
Reuss
Richmond
Riegle
Rinaldo
Roberts
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Roush
Rousselot
Roybal
Runnels
Ruppe
Russo
Ryan
St Germain
Sarasin
Satterfield
Scheuer
Schneebeli
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shriver
Shuster
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stark
Steed
Steelman
Steiger, Wis.
Stephens
Stokes
Stratton
Studds
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson
Thone
Thornton
Traxler
Treen
Tsongas
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waggonner
Wampler
Waxman
Weaver
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Winn
Wirth
Wylie
Yates
Yatron
Young, Fla.
Young, Ga.
Young, Tex.
Zablocki

NAYS—0

NOT VOTING—77

Abzug
Addabbo
Allen
Ambro
Ashley
Bell
Biaggi
Biester
Blouin
Brinkley
Butler
Conlan
Corman
Cotter
Danielson
de la Garza
Dickinson
Eckhardt
Eshleman
Foley
Green
Hanley
Hansen
Harrington
Hays, Ohio
Hefner
Heinz
Helstoski
Hightower
Hinshaw
Howe
Jarman
Johnson, Pa.
Jones, Okla.
Jones, Tenn.
Karth
Landrum
Litton
McCloskey
McCormack
McDade
McDonald
McKinney
Maguire
Mathis
Metcalfe
Milford
Moakley
Murphy, Ill.
Murphy, N.Y.
Nedzi
Nix
Nolan
O'Hara
O'Neill
Pattison, N.Y.
Pepper
Peyser
Rhodes
Risenhoover
Rostenkowski
Santini
Sarbanes
Stanton, James V.
Steiger, Ariz.
Stuckey
Sullivan
Symington
Udall
Walsh
Wilson, C. H.
Wilson, Tex.
Wolff
Wright
Wydler
Young, Alaska
Zeferetti

The Clerk announced the following pairs:

Mr. Addabbo with Mr. O'Hara.
Mr. Zeferetti with Mr. Green.
Mr. Cotter with Mr. Udall.
Mr. Helstoski with Mr. James V. Stanton.
Mr. Litton with Mr. Harrington.
Mr. Charles H. Wilson of California with Mr. Karth.
Mr. Santini with Mr. Bell.
Mr. Rostenkowski with Mr. Biester.
Mr. Pepper with Mr. Conlan.
Mr. O'Neill with Mr. Eshleman.
Mr. Ambro with Mr. Heinz.
Mr. Biaggi with Mr. Jarman.
Mr. Hanley with Mr. Johnson of Pennsylvania.
Mr. Murphy of New York with Mr. McCloskey.
Mr. Nix with Mr. Blouin.
Mr. Moakley with Mr. McDade.
Mr. Wright with Mr. McKinney.
Mr. Wolff with Mr. Steiger of Arizona.
Mr. Ashley with Mr. Peyser.
Mr. McDonald with Mr. Stuckey.
Mr. Jones of Oklahoma with Mr. Butler.
Mr. Corman with Mrs. Sullivan.
Mr. Hays of Ohio with Mr. Dickinson.
Mr. Pattison of New York with Mr. Symington.
Mr. Allen with Mr. Walsh.
Ms. Abzug with Mr. Sarbanes.
Mr. Mathis with Mr. Hansen.
Mr. Murphy of Illinois with Charles Wilson of Texas.
Mr. Foley with Mr. Wydler.
Mr. de la Garza with Mr. Young of Alaska.
Mr. Danielson with Mr. Jones of Tennessee.
Mr. Brinkley with Mr. McCormack.
Mr. Nolan with Mr. Nedzi.
Mr. Risenhoover with Mr. Maguire.
Mr. Metcalfe with Mr. Eckhardt.
Mr. Milford with Mr. Landrum.
Mr. Hefner with Mr. Howe.

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

CODIFICATION OF RULES AND CUSTOMS OF AMERICAN FLAG

The SPEAKER. The unfinished business is the question of suspending the rules and passing the Senate joint resolution (S.J. Res. 49), as amended.

The Clerk read the title of the Senate joint resolution.

The SPEAKER. The question is on the motion offered by the gentleman from California (Mr. EDWARDS) that the House suspend the rules and pass the Senate joint resolution (S.J. Res. 49), as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 352, nays 0, not voting 79, as follows:

[Roll No. 417]

YEAS—352

Abdnor
Adams
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Aspin
AuCoin
Badillo
Bafalis
Baldus
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bennett
Bergland
Bevill
Bingham
Blanchard
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Byron
Carney
Carr
Carter
Cederberg
Chappell
Chisholm
Clancy
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Collins, Tex.
Conable
Conte
Conyers
Cornell
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Davis
Delaney
Dellums
Derrick
Derwinski
Devine
Diggs
Dingell
Dodd
Downey, N.Y.
Downing, Va.
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Esch
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fary
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fraser
Frenzel
Frey
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Gradison
Grassley
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammer-schmidt
Hannaford
Harkin
Harris
Harsha
Hawkins
Hayes, Ind.
Hébert
Hechler, W. Va.
Heckler, Mass.
Henderson
Hicks
Hillis
Holland
Holt
Horton
Howard
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jacobs
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, Ala.
Jones, N.C.
Jordan
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Keys
Kindness
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Latta
Leggett
Lehman
Lent
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
Lundine
McClory
McCollister
McEwen
McFall
McHugh
McKay
Madden
Madigan
Mahon
Mann
Martin
Matsunaga
Mazzoli
Meeds
Melcher
Meyner
Mezvinsky
Michel
Mikva
Miller, Calif.
Miller, Ohio
Mills
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Motti
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nichols
Nowak
Oberstar
Obey
O'Brien
Ottinger
Passman
Patten, N.J.
Patterson, Calif.
Paul
Perkins
Pettis
Pickle
Pike
Poage
Pressler
Preyer
Price
Pritchard
Quie
Quillen
Railsback
Randall
Rangel
Rees
Regula
Reuss
Richmond
Riegle
Rinaldo
Roberts
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Roush
Rousselot
Roybal
Runnels
Ruppe
Russo
Ryan
St Germain
Sarasin
Satterfield

Scheuer
Schneebeli
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shriver
Shuster
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stark
Steed
Steelman
Steiger, Wis.
Stephens
Stokes
Stratton
Studds
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson
Thone
Thornton
Traxler
Treen
Tsongas
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waggonner
Wampler
Waxman
Weaver
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Winn
Wirth
Wylie
Yates
Yatron
Young, Fla.
Young, Ga.
Young, Tex.
Zablocki

NAYS—0

NOT VOTING—79

Abzug
Addabbo
Allen
Ambro
Ashley
Bell
Biaggi
Biester
Blouin
Brinkley
Butler
Conlan
Corman
Cotter
Danielson
de la Garza
Dent
Dickinson
Eckhardt
Eshleman
Foley
Green
Hanley
Hansen
Harrington
Hays, Ohio
Hefner
Heinz
Helstoski
Hightower
Hinshaw
Holtzman
Howe
Jarman
Johnson, Pa.
Jones, Okla.
Jones, Tenn.
Karth
Landrum
Litton
McCloskey
McCormack
McDade
McDonald
McKinney
Maguire
Mathis
Metcalfe
Milford
Moakley
Murphy, Ill.
Murphy, N.Y.
Nedzi
Nix
Nolan
O'Hara
O'Neill
Pattison, N.Y.
Pepper
Peyser
Rhodes
Risenhoover
Rostenkowski
Santini
Sarbanes
Stanton, James V.
Steiger, Ariz.
Stuckey
Sullivan
Symington
Udall
Walsh
Wilson, C. H.
Wilson, Tex.
Wolff
Wright
Wydler
Young, Alaska
Zeferetti

The Clerk announced the following pairs:

Mr. Addabbo with Mr. O'Hara.
Mr. Zeferetti with Mr. Green.
Mr. Cotter with Mr. Udall.
Mr. Helstoski with Mr. James V. Stanton.
Mr. Litton with Mr. Harrington.
Mr. Charles H. Wilson of California with Mr. Karth.
Mr. Santini with Mr. Bell.
Mr. Rostenkowski with Mr. Biester.
Mr. Pepper with Mr. Conlan.
Mr. O'Neill with Mr. Eshleman.
Mr. Ambro with Mr. Heinz.
Mr. Biaggi with Mr. Jarman.
Mr. Hanley with Mr. Johnson of Pennsylvania.
Mr. Murphy of New York with Mr. McCloskey.
Mr. Nix with Mr. Blouin.
Mr. Moakley with Mr. McDade.
Mr. Wright with Mr. McKinney.
Mr. Wolff with Mr. Steiger of Arizona.
Mr. Ashley with Mr. Peyser.
Mr. McDonald with Mr. Stuckey.
Mr. Jones of Oklahoma with Mr. Butler.
Mr. Corman with Mrs. Sullivan.
Mr. Hays of Ohio with Mr. Dickinson.
Mr. Pattison of New York with Mr. Symington.
Mr. Allen with Mr. Walsh.
Ms. Abzug with Mr. Sarbanes.
Mr. Mathis with Mr. Hansen.
Mr. Murphy of Illinois with Mr. Charles Wilson of Texas.
Mr. Foley with Mr. Wydler.
Mr. de la Garza with Mr. Young of Alaska.
Mr. Danielson with Mr. Nedzi.
Mr. Brinkley with Mr. Maguire.
Mr. Nolan with Mr. Eckhardt.
Mr. Risenhoover with Mr. Landrum.
Mr. Metcalfe with Ms. Holtzman.
Mr. Milford with Mr. Hefner.
Mr. Dent with Mr. Hightower.
Mr. McCormack with Mr. Howe.

Messrs. MOSS, JEFFORDS, and ICHORD changed their vote from "nay" to "yea."

So (two-thirds having voted in favor thereof) the rules were suspended and the Senate joint resolution, as amended,. was passed.

The result of the vote was announced as above recorded.

The title was amended by inserting a close quotation mark immediately after "United States of America."

A motion to reconsider was laid on the table.

TRANSLATOR BROADCAST STATION OPERATIONS

The SPEAKER. The unfinished business is the question of suspending the rules and passing the bill, H.R. 9689.

The Clerk read the title of the bill.

The SPEAKER. The question is on the motion offered by the gentleman from California (Mr. VAN DEERLIN) that the House suspend the rules and pass the bill, H.R. 9689, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 349, nays 2, answered "present" 1, not voting 79, as follows:

[Roll No. 418]

YEAS—349

Abdnor
Adams
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Aspin
AuCoin
Badillo
Bafalis
Baldus
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bennett
Bergland
Bevill
Bingham
Blanchard
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Byron
Carney
Carr
Carter
Cederberg
Chappell
Chisholm
Clancy
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Collins, Tex.
Conable
Conte
Conyers
Cornell
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Davis
Delaney
Dellums
Dent
Derrick
Derwinski
Devine
Diggs
Dingell
Dodd
Downey, N.Y.
Downing, Va.
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Esch
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fary
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fraser
Frenzel
Frey
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Goodling
Gradison
Grassley
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammer-schmidt
Hannaford
Harkin
Harris
Harsha
Hawkins
Hayes, Ind.
Hébert
Hechler, W. Va.
Heckler, Mass.
Henderson
Hillis
Holland
Holt
Holtzman
Horton
Howard
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jacobs
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, Ala.
Jones, N.C.
Jordan
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Keys
Kindness
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Latta
Leggett
Lehman
Lent
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
Lundine
McClory
McCollister
McCormack
McEwen
McFall
McHugh
McKay
Madden
Madigan
Mahon
Mann
Martin
Matsunaga
Mazzoli
Meeds
Melcher
Meyner
Mezvinsky
Michel
Mikva
Miller, Calif.
Miller, Ohio
Mills
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Mottl
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nichols
Nowak
Oberstar
Obey
O'Brien
Ottinger
Passman
Patten, N.J.
Patterson, Calif.
Paul
Perkins
Pettis
Pickle
Pike
Poage
Pressler
Preyer
Price
Pritchard
Quie
Quillen
Railsback
Randall
Rangel
Rees
Regula
Reuss
Richmond
Riegle
Rinaldo
Roberts
Robinson
Rodino
Roe
Rogers
Rooney
Rose
Rosenthal
Roush
Rousselot
Roybal
Runnels
Ruppe
Russo
Ryan
St Germain
Sarasin
Satterfield
Scheuer
Schneebeli
Schroeder
Schulze
Seiberling
Sharp
Shipley
Shriver
Shuster
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stark
Steed
Steelman
Steiger, Wis.
Stephens
Stokes
Stratton
Studds
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson
Thone
Thornton
Traxler
Treen
Tsongas
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Waggonner
Wampler
Waxman
Weaver
Whalen
White
Whitehurst
Whitten
Wiggins
Winn
Wirth
Wylie
Yates
Yatron
Young, Fla.
Young, Ga.
Young, Tex.
Zablocki

NAYS—2

Hicks
Roncalio

ANSWERED "PRESENT"—1

Gonzalez

NOT VOTING—79

Abzug
Addabbo
Allen
Ambro
Ashley
Bell
Biaggi
Biester
Blouin
Brinkley
Butler
Conlan
Corman
Cotter
Danielson
de la Garza
Dickinson
Eckhardt
Eshleman
Foley
Green
Hanley
Hansen
Harrington
Hays, Ohio
Hefner
Heinz
Helstoski
Hightower
Hinshaw
Howe
Jarman
Johnson, Pa.
Jones, Okla.
Jones, Tenn.
Karth
Landrum
Litton
McCloskey
McDade
McDonald
McKinney
Maguire
Mathis
Metcalfe
Milford
Moakley
Murphy, Ill.
Murphy, N.Y.
Nedzi
Nix
Nolan
O'Hara
O'Neill
Pattison, N.Y.
Pepper
Peyser
Rhodes
Risenhoover
Rostenkowski
Santini
Sarbanes
Sebelius
Stanton, James V.
Steiger, Ariz.
Stuckey
Sullivan
Symington
Udall
Vander Jagt
Walsh
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Wolff
Wright
Wydler
Young, Alaska
Zeferetti

The Clerk announced the following pairs:

Mr. Addabbo with Mr. O'Hara.
Mr. Zeferetti with Mr. Green.

Mr. Cotter with Mr. Udall.
Mr. Helstoski with Mr. James V. Stanton.
Mr. Litton with Mr. Harrington.
Mr. Charles H. Wilson of California with Mr. Karth.
Mr. Santini with Mr. Bell.
Mr. Rostenkowski with Mr. Biester.
Mr. Pepper with Mr. Conlan.
Mr. O'Neill with Mr. Eshleman.
Mr. Ambro with Mr. Heinz.
Mr. Biaggi with Mr. Jarman.
Mr. Hanley with Mr. Johnson of Pennsylvania.
Mr. Murphy of New York with Mr. McCloskey.
Mr. Nix with Br. Blouin.
Mr. Moakley with Mr. McDade.
Mr. Wright with Mr. McKinney.
Mr. Wolff with Mr. Steiger of Arizona.
Mr. Ashley with Mr. Peyser.
Mr. McDonald with Mr. Stuckey.
Mr. Jones of Oklahoma with Mr. Butler.
Mr. Corman with Mrs. Sullivan.
Mr. Hays of Ohio with Mr. Dickinson.
Mr. Pattison of New York with Mr. Symington.
Mr. Allen with Mr. Walsh.
Ms. Abzug with Mr. Sarbanes.
Mr. Mathis with Mr. Hansen.
Mr. Murphy of Illinois with Mr. Charles Wilson of Texas.
Mr. Foley with Mr. Wydler.
Mr. de la Garza with Mr. Young of Alaska.
Mr. Danielson with Mr. Hefner.
Mr. Brinkley with Mr. Howe.
Mr. Nolan with Mr. Nedzi.
Mr. Risenhoover with Mr. Maguire.
Mr. Metcalfe with Mr. Eckhardt.
Mr. Milford with Mr. Landrum.
Mr. Jones of Tennessee with Mr. Bob Wilson.
Mr. Sebelius with Mr. Vander Jagt.

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The result of the vote was announced as above recorded.

Mr. VAN DEERLIN. Mr. Speaker, I ask unanimous consent that the Committee on Interstate and Foreign Commerce be discharged from further consideration of the Senate bill (S. 2847) to amend section 318 of the Communications Act of 1934, as amended, to enable the Federal Communications Commission to authorize translator broadcast stations to originate limited amounts of local programing, and to authorize frequency modulation—FM—radio translator stations to operate unattended in the same manner as is now permitted for television broadcast translator stations, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, will somebody explain this?

Mr. VAN DEERLIN. Mr. Speaker, if the gentleman will yield, I will be glad to tell my colleague, the gentleman from California (Mr. ROUSSELOT), that this is a Senate bill which is identical to the House bill H.R. 9689, which the House and the gentleman just voted for, by a most flattering margin.

Mr. ROUSSELOT. Was that not unusual for me to vote for it?

Mr. VAN DEERLIN. I am so grateful to the gentleman.

Mr. ROUSSELOT. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That clause (3) of the first proviso of section 318 of the Communications Act of 1934 (47 U.S.C. 318) is amended—

(1) by striking out "solely" and inserting in lieu thereof "primarily", and

(2) by striking out "television".

The Senate bill was ordered to be read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 9689) was laid on the table.

HORSE PROTECTION ACT AMENDMENTS OF 1976

The SPEAKER. The unfinished business is the question of suspending the rules and passing the bill (H.R. 13711), as amended.

The Clerk read the title of the bill.

The SPEAKER. The question is on the motion offered by the gentleman from Florida (Mr. ROGERS) that the House suspend the rules and pass the bill H.R. 13711, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device; and there were—yeas 346, nays 6, answered "present" 1, not voting 78, as follows:

[Roll No. 419]

YEAS—346

Adams
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Aspin
AuCoin
Badillo
Bafalis
Baldus
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bennett
Bergland
Bevill
Bingham
Blanchard
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Byron
Carney
Carr
Carter
Cederberg
Chappell
Chisholm
Clancy
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Collins, Tex.
Conable
Conte
Conyers
Cornell
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Davis
Delaney
Dellums
Dent
Derrick
Derwinski
Devine
Diggs
Dingell
Dodd
Downey, N.Y.
Downing, Va.
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Esch
Evans, Colo.
Evans, Ind.
Fary
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fraser
Frenzel
Frey
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Goodling
Gradison
Grassley
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammer-schmidt
Hannaford
Harkin
Harris
Harsha
Hawkins
Hayes, Ind.
Hechler, W. Va.
Heckler, Mass.
Henderson
Hicks
Hillis
Holland
Holt
Holtzman
Horton
Howard
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Jacobs
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, Ala.
Jones, N.C.
Jordan
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Keys
Kindness
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Latta
Leggett
Lehman
Lent
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Long, Md.
Lott
Lundine
McClory
McCollister
McCormack
McEwen
McFall
McHugh
McKay
Madden
Madigan
Mahon
Mann
Martin
Matsunaga
Mazzoli
Meeds
Melcher
Meyner
Mezvinsky
Michel
Mikva
Miller, Calif.
Miller, Ohio
Mills
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Mottl
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nichols
Nowak
Oberstar
Obey
O'Brien
Ottinger
Passman
Patten, N.J.
Patterson, Calif.
Perkins
Pettis
Pickle
Pike
Poage
Pressler
Preyer
Price
Pritchard
Quie
Quillen
Railsback
Randall
Rangel
Rees
Regula
Reuss
Richmond
Riegle
Rinaldo
Roberts
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Roush
Rousselot
Roybal
Ruppe
Russo
Ryan
St Germain
Sarasin
Satterfield
Scheuer
Schneebeli
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shriver
Shuster
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stark
Steed
Steelman
Steiger, Wis.
Stephens
Stokes
Stratton
Studds
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson
Thone
Thornton
Traxler
Treen
Tsongas
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waggonner
Wampler
Waxman
Weaver
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Winn
Wirth
Wylie
Yates
Yatron
Young, Fla.
Young, Ga.
Young, Tex.
Zablocki

NAYS—6

Abdnor
Evins, Tenn.
Ichord
Lujan
Paul
Runnels

ANSWERED "PRESENT"—1

Gonzalez

NOT VOTING—78

Abzug
Addabbo
Allen
Ambro
Ashley
Bell
Biaggi
Biester
Blouin
Brinkley
Butler
Conlan
Corman
Cotter
Danielson
de la Garza
Dickinson
Eckhardt
Eshleman
Foley
Green
Hanley
Hansen
Harrington
Hays, Ohio
Hébert
Hefner
Heinz
Helstoski
Hightower
Hinshaw
Howe
Jarman
Johnson, Pa.
Jones, Okla.
Jones, Tenn.
Karth
Landrum
Litton
Long, La.
McCloskey
McDade
McDonald
McKinney
Maguire
Mathis
Metcalfe
Milford
Moakley
Murphy, Ill.
Murphy, N.Y.
Nedzi
Nix
Nolan
O'Hara
O'Neill
Pattison, N.Y.
Pepper
Peyser
Rhodes
Risenhoover
Rostenkowski
Santini
Sarbanes
Stanton, James V.
Steiger, Ariz.
Stuckey
Sullivan
Symington
Udall
Walsh
Wilson, C. H.
Wilson, Tex.
Wolff
Wright
Wydler
Young, Alaska
Zeferetti

The Clerk announced the following pairs:

Mr. Addabbo with Mr. O'Hara.

Mr. Zeferetti with Mr. Green.
Mr. Cotter with Mr. Udall.
Mr. Helstoski with Mr. James V. Stanton.
Mr. Litton with Mr. Harrington.
Mr. Charles H. Wilson of California with Mr. Karth.
Mr. Santini with Mr. Bell.
Mr. Rostenkowski with Mr. Biester.
Mr. Pepper with Mr. Conlan.
Mr. O'Neill with Mr. Eshleman.
Mr. Ambro with Mr. Heinz.
Mr. Biaggi with Mr. Jarman.
Mr. Hanley with Mr. Johnson of Pennsylvania.
Mr. Murphy of New York with Mr. McCloskey.
Mr. Nix with Mr. Blouin.
Mr. Moakley with Mr. McDade.
Mr. Wright with Mr. McKinney.
Mr. Wolff with Mr. Steiger of Arizona.
Mr. Ashley with Mr. Peyser.
Mr. McDonald with Mr. Stuckey.
Mr. Jones of Oklahoma with Mr. Butler.
Mr. Corman with Mrs. Sullivan.
Mr. Hays of Ohio with Mr. Dickinson.
Mr. Pattison of New York with Mr. Symington.
Mr. Allen with Mr. Walsh.
Ms. Abzug with Mr. Sarbanes.
Mr. Mathis with Mr. Hansen.
Mr. Murphy of Illinois with Mr. Charles Wilson of Texas.
Mr. Foley with Mr. Wydler.
Mr. de la Garza with Mr. Young of Alaska.
Mr. Danielson with Mr. Nedzi.
Mr. Brinkley with Mr. Maguire.
Mr. Nolan with Mr. Eckhardt.
Mr. Risenhoover with Mr. Landrum.
Mr. Metcalfe with Mr. Hefner.
Mr. Milford with Mr. Hébert.
Mr. Long of Louisiana with Mr. Hightower.

Mr. PERKINS changed his vote from "nay" to "yea."

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. ROGERS. Mr. Speaker, I ask unanimous consent that the Committee on Interstate and Foreign Commerce be discharged from further consideration of the Senate bill (S. 811) to amend the Horse Protection Act of 1970 to better effectuate its purposes, a similar bill to the one just passed, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

Mr. DEVINE. Mr. Speaker, reserving the right to object, I do so for the purpose of asking the gentleman what the bill is?

Mr. ROGERS. Mr. Speaker, we are simply substituting the House language for the Senate bill.

Mr. DEVINE. On what subject?

Mr. ROGERS. The Horse Protection Act, the last bill voted on.

Mr. DEVINE. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 811

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 "Horse Protection Act Amendments of 1975".

SEC. 2. Section 1 of the Horse Protection Act of 1970 (Public Law 91-540) is amended to read as follows: "That this Act may be cited as the 'Horse Protection Act'.".

SEC. 3. Section 2 of the Horse Protection Act of 1970 (15 U.S.C. 1821) is amended to read as follows:

"DEFINITIONS

"SEC. 2. As used in this Act, unless the context otherwise requires—

"(1) 'commerce' means commerce among the several States or with foreign nations or in or through any State or between any State and a foreign nation;

"(2) 'management' refers to any person who organizes, exercises control over, or is responsible for organizing, directing, or administering;

"(3) 'Secretary' means the Secretary of Agriculture, or his delegate;

"(4) 'sore', with respect to a horse, means that (A) an irritating or blistering agent has been applied, internally or externally, to any of its limbs; (B) any burn, cut, or laceration has been inflicted on any of its limbs; (C) any tack, nail, screw, or chemical agent has been injected into or used on any of its limbs; or (D) any other method or device has been used on any of its limbs, and, as a consequence of such application, infliction, injection, or other use, the subject of such use suffers or reasonably can be expected to suffer, physical pain, physical distress, inflammation, or lameness when walking, trotting, or otherwise moving. A horse shall be considered sore if it manifests abnormal sensitivity of the hoof, pastern, or fetlock;

"(5) 'State' means any State, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and any territory or possession of the United States; and

"(6) 'unsound limb', with respect to a horse, means any condition in any of its limbs that results in, or reasonably can be expected to result in, physical pain, physical distress, inflammation, or lameness to such horse when it is walking, trotting, or otherwise moving.".

SEC. 4. (a) GENERAL.—(1)(A) Section 3 of the Horse Protection Act of 1970 (15 U.S.C. 1822) is amended to read as follows:

"FINDINGS

"SEC. 3. The Congress finds and declares that—

"(1) the soring of horses is cruel and inhumane;

"(2) horses shown or exhibited which are sore or which have any unsound limb, may, where such soreness or unsoundess improves the performance of such horse, compete unfairly with horses which are not sore and which have sound limbs;

"(3) the movement, showing, exhibition, or sale of sore horses in intrastate commerce adversely affects and burdens interstate or foreign commerce;

"(4) the showing or exhibition of horses that have any unsound limb is cruel and inhumane and adversely affects and burdens interstate or foreign commerce;

"(5) all horses which are subject to regulation under this Act are either in interstate or foreign commerce or substantially affect such commerce; and

"(6) regulation by the Secretary is appropriate to prevent and eliminate burdens upon commerce and to effectively regulate commerce.".

SEC. 5. Section 4 of the Horse Protection Act of 1970 (15 U.S.C. 1823) is amended to read as follows:

"RESPONSIBILITIES

"SEC. 4. (a) GENERAL.—(1)(A) The management of any horse show or horse exhibition shall disqualify any horse which is sore or which has any unsound limb from being shown or exhibited; and

"(B) The management of any public horse sale or auction shall prohibit the sale or auction of any horse which is sore; or

"(2) The management of any horse show, horse exhibition, or public horse sale or auction, in accordance with regulations which the Secretary shall issue, may appoint and retain any person who is qualified to detect and diagnose a sore horse and a horse with any unsound limb, other than a person who has been disqualified by the Secretary, after notice and an opportunity for a hearing, to inspect horses for purposes of this Act, at any place or at any time on the show or exhibition grounds and before, during and after the horses are shown, exhibited, or sold: *Provided,* That if any such qualified person is appointed by management (A) the management of any horse show or horse exhibition shall disqualify from being shown or exhibited any horse which, in the opinion of such qualified person, is sore or has an unsound limb or limbs; and (B) the management of any public horse sale or auction shall prohibit the sale of any horse which, in the opinion of such qualified person, is sore.

"(b) RECORDS.—Each person who organizes, promotes, directs, manages, or conducts a horse show, horse exhibition, or public horse sale or auction shall keep such records relating thereto as the Secretary may by regulation prescribe. Such person shall submit to the Secretary, in such form and with such content as the Secretary shall prescribe, any notification, report, or other material relating to any matter regulated under this Act as the Secretary shall by regulation prescribe. Any such regulation and any amendment thereto shall be issued on the record after an opportunity for a hearing.

"(c) INSPECTION.—The Secretary is authorized to conduct such inspections, of any horse show, horse exhibition, or public horse sale or auction, or of any horse at any horse show, horse exhibition, or public horse sale or auction, as he may by regulation prescribe or as he deems necessary for the effective enforcement of this Act. The Secretary is further authorized to inspect and copy, at all reasonable times, such records as are required to be kept under subsection (b) of this section.".

SEC. 6. Section 5 of the Horse Protection Act of 1970 (15 U.S.C. 1824) is amended to read as follows:

"PROHIBITED CONDUCT

"SEC. 5. The following conduct is prohibited:

"(1) shipping, transporting, moving, delivering, or receiving any horse which is sore (except a horse which is sore as a result of therapeutic treatment by a person licensed to practice veterinary medicine in the State or political subdivision thereof in which such treatment was given), with reason to believe that such horse may be shown, exhibited, or entered for the purpose of being shown or exhibited, or sold, auctioned, or offered for sale, in any horse show, horse exhibition, or public horse sale or auction: *Provided,* That this provision shall not apply to an act performed by a person engaged in the transport of horses for hire in the course of such transport unless such person has reason to believe such horse is sore;

"(2) showing, exhibiting, or entering for the purpose of showing or exhibiting, or selling, auctioning, or offering for sale, in any horse show, horse exhibition, or public horse sale or auction, any horse which is sore;

"(3) showing, exhibiting, or allowing to be shown or exhibited, any horse, after having been advised by a qualified person, in accordance with section 4(a)(2) of this Act, management, or the Secretary that the horse has an unsound limb;

"(4) failure by the management of any horse show or horse exhibition, which does not appoint and retain a qualified person in accordance with section 4(a)(2) of this Act, to disqualify from being shown or exhibited any horse which is sore or which has any unsound limb;

"(5) failure by the management of any public horse sale or auction, which does not appoint and retain a qualified person in accordance with section 4(a)(2) of the Act, to prohibit the sale, offering for sale, or auction of any horse which is sore;

"(6) failure by the management of any horse show or horse exhibition, which has appointed and retained a qualified person in accordance with section 4(a)(2) of this Act, to disqualify from being shown or exhibited any horse, which, in the opinion of such qualified person, is sore or has any unsound limb;

"(7) failure by the management of any public horse sale or auction, which has appointed and retained a qualified person in accordance with section 4(a)(2) of this Act, to prohibit the sale, offering for sale, or auction of any horse which, in the opinion of such qualified person, is sore;

"(8) showing or exhibiting at a horse show or horse exhibition; selling or auctioning at a public horse sale or auction; allowing to be shown, exhibited, or sold at a horse show, horse exhibition, or public horse sale or auction; entering for the purpose of showing or exhibiting in any horse show or horse exhibition; or entering for the purpose of selling at a public horse sale or auction, any horse which is wearing or bearing any equipment, device, paraphernalia, or substance which the Secretary does not allow to be used on the limbs of a horse, in the interest of preventing the practice of soring and pursuant to regulations to be issued under this Act;

"(9) failing to maintain or submit records, notices, reports, or other material required by this Act or regulations issued under this Act;

"(10) refusing to permit the Secretary to enter and to conduct any inspection of any horse show, horse exhibition, or public horse sale or auction, or of any horse at any show, horse exhibition, or public horse sale or auction, for purposes of determining compliance with this Act or any regulations issued under this Act; and

"(11) failing to provide the Secretary with adequate space or facilities, as the Secretary may by regulation prescribe, in which to conduct inspections or any other activity authorized to be performed by the Secretary under this Act.".

SEC. 7. Section 6 of the Horse Protection Act of 1970 (15 U.S.C. 1825) is amended to read as follows:

"ENFORCEMENT

"SEC. 6. (a) CRIMINAL VIOLATION.—Except as otherwise provided in paragraphs (5) and (6) of subsection (d) of this section and in section 9 of this Act, any person who knowingly engages in any conduct prohibited under section 5 of this Act shall be subject to criminal prosecution and, upon conviction thereof, shall be fined not more than $3,000, or imprisoned for not more than 6 months, or both. An action against such person may be brought before any United States magistrate in the district court of the United States in any judicial district in which such person is found, and such magistrate shall have jurisdiction to hear and decide such action.

"(b) CIVIL ACTION.—(1) Except as otherwise provided in subsection (d)(7) of this section, any person who commits any act prohibited under section 5 of this Act shall be liable to the United States for a civil penalty of not more than $500 for each day of violation. No penalty shall be assessed unless such person is given notice and opportunity for a hearing before the Secretary with respect to such violation. The amount of such civil penalty shall be assessed by the Secretary, or his delegate, by written notice. In determining the amount of such penalty, the Secretary shall take into account all factors relevant to such determination, including the nature, circumstances, extent, and gravity of the prohibited conduct and, with respect to the person found to have engaged in such conduct, the degree of culpability, any history or prior offenses, ability to pay, effect on ability to continue to do business, and such other matters as justice may require.

"(2) Any person against whom a violation is found and a civil penalty assessed under paragraph (1) of this subsection may obtain review in the appropriate court of appeals of the United States by filing a notice of appeal in such court within 30 days from the date of such order and by simultaneously sending a copy of such notice by certified mail to the Secretary. The Secretary shall promptly file in such court a certified copy of the record upon which such violation was found and such penalty imposed, as provided in section 2112 of title 28, United States Code. The findings of the Secretary shall be set aside if found to be unsupported by substantial evidence, as provided by section 706(2)(e) of title 5, United States Code.

"(3) If any person fails to pay an assessment of a civil penalty after it has become a final and unappealable order, or after the appropriate court of appeals has entered final judgment in favor of the Secretary, the Secretary shall refer the matter to the Attorney General, who shall recover the amount assessed in any appropriate district court of the United States. In such action, the validity and appropriateness of the final order imposing the civil penalty shall not be subject to review.

"(4) The Secretary may, in his discretion, compromise, modify, or remit, with or without conditions, any civil penalty assessed under this subsection.

"(c) DISQUALIFICATION.—In addition to any fine, imprisonment, or civil penalty authorized under this Act, any person convicted or assessed a civil penalty for any violation of any provision of this Act or any regulation issued under this Act may be disqualified by order of the Secretary, after notice and an opportunity for a hearing before the Secretary, from showing or exhibiting any horse, judging or managing any horse show, horse exhibition, or public horse sale or auction, horse exhibition, or public horse sale or auction, for a period of not more than one year for the first offense and not less than one year for any subsequent offense. Any person who knowingly fails to obey an order of disqualification shall be subject to a civil penalty of not more than $1,000 for each offense. Each day during which such failure continues shall be a separate offense. Any horse show, horse exhibition, or public horse sale or auction, or the management thereof, collectively and severally, which knowingly allows any person who is under an order of disqualification to show or exhibit any horse, to enter for the purpose of showing or exhibiting any horse, to take part in managing or judging, horse exhibition, or public horse sale or auction in violation of an order shall be subject to a civil penalty of not more than $1,000 for each offense, to be assessed by the Secretary in accordance with subsection (b) of this section. Each day during which the violation continues shall be a separate offense.

"(d) PROCEDURE.—(1) The Secretary may require by subpena the attendance and testimony of witnesses and the production of books, papers, and documents relating to any matter under investigation or the subject of a proceeding. Witnesses summoned before the Secretary shall be paid the same fees and mileage that are paid witnesses in the courts of the United States.

"(2) The attendance of witnesses, and the production of books, papers, and documents, may be required at any designated place from any place in the United States. In case of disobedience to a subpena the Secretary, or any party to a proceeding before the Secretary, may invoke the aid of any appropriate district court of the United States in requiring attendance and testimony of witnesses and the production of such books, papers, and documents under the provisions of this Act.

"(3) The Secretary may order testimony to be taken by deposition under oath in any proceeding or investigation pending before him, at any stage of the proceeding or investigation. Depositions may be taken before any person designated by the Secretary who has power to administer oaths. The Secretary may also require the production of books, papers, and documents at the taking of depositions.

"(4) Witnesses whose depositions are taken and the persons taking them shall be entitled to the same fees as paid for like services in the courts of the United States or in other jurisdictions in which they may appear.

"(5) Any person who knowingly neglects or refuses to attend and testify, or to produce books, papers, and documents in reply to a subpena, or to submit a report required by the Secretary, shall be guilty of an offense against the United States, and upon conviction thereof shall be fined not more than $1,000, or imprisoned for not more than 1 year, or both.

"(6) Any person who willfully makes, or causes to be made, a false entry or statement in any report required under this Act; who willfully makes, or causes to be made, any false entry in any account, record, or memorandum kept by any person subject to this Act or in any notification or other material required to be submitted to the Secretary under section 4(b) of this Act; who willfully neglects or fails to make or causes to be made, full, true, and correct entries in such accounts, records, memoranda, notification, or other materials; who willfully removes any such documentary evidence of any person subject to this Act out of the jurisdiction of the United States; who willfully mutilates, alters, or by any other means falsifies any such documentary evidence of any person subject to this Act; or who willfully refuses to submit any such documentary evidence to the Secretary for inspection and making shall be guilty of an offense against the United States, and upon conviction thereof shall be fined not more than $1,000, or imprisoned for not more than 3 years, or both.

"(7) If any person required by this Act to file an annual or special report fails to do so within the time fixed by the Secretary, and his failure continues for 30 days after notice of his default, he shall forfeit to the United States $100 for each day such failure continues. Such forfeiture shall be recoverable in a civil suit in the name of the United States brought in any district where the person may be found, resides, or transacts business.

"(8) The United States district courts, the District Court of Guam, the District Court of the Virgin Islands, the highest court of American Samoa, and the United States courts of the other territories, are vested with jurisdiction specifically to enforce, and to prevent and restrain violations of this Act, and shall have jurisdiction in all other kinds of cases arising under this Act, except as provided in sections 6 (b) and (c) of this Act.

"(e) DETENTION AND SEIZURE.—The Secretary is authorized to—

"(1) detain for further examination any horse at any horse show, horse exhibition, or public horse sale or auction, which is sore, or which is suspected by the Secretary

of being sore, for a period not to exceed 24 hours;

"(2) disqualify from competition at any horse show or horse exhibition any horse which he has probable cause to believe is sore or has any unsound limb;

"(3) prohibit the sale of any horse at any public horse sale or auction which he has probable cause to believe is sore;

"(4) seize any equipment, device, paraphernalia, or substance which he has probable cause to believe was used in violation of any provision of this Act or any regulation issued under this Act or which he has probable cause to believe contributed to the soring of any horse at or prior to any horse show, horse exhibition, or public horse sale or auction.".

SEC. 8. Section 11 of the Horse Protection Act of 1970 (15 U.S.C. 1830) is amended by striking out "twenty-four-calendar-month period" and inserting in lieu thereof "12-calendar-month period".

SEC. 9. Section 12 of the Horse Protection Act of 1970 (15 U.S.C. 1831) is amended to read as follows: "There are authorized to be appropriated to the Secretary for purposes of carrying out the provisions of this Act not to exceed $1,000,000 for the fiscal year ending June 30, 1976, $250,000 for the fiscal year transition period ending September 30, 1976, and $1,000,000 for the fiscal year ending September 30, 1977.".

MOTION OFFERED BY MR. ROGERS

Mr. ROGERS. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. ROGERS moves to strike out all after the enacting clause of the Senate bill, S. 811, and insert in lieu thereof the provisions of H.R. 13711, as passed.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

The title was amended so as to read: "To revise and extend the Horse Protection Act of 1970."

A motion to reconsider was laid on the table.

A similar House bill (H.R. 13711) was laid on the table.

GENERAL LEAVE

Mr. ROGERS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and include extraneous matter, on the subject of the bill (H.R. 13711) just passed.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

COMMUNICATION FROM CHAIRMAN OF COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

The Speaker laid before the House the following communication from the chairman of the Committee on Public Works and Transportation, which was read and referred to the Committee on Appropriations:

June 11, 1976.

Hon. CARL ALBERT,
Speaker of the House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: Pursuant to the provisions of section 2 of the Watershed Protection and Flood Prevention Act, as amended, the Committee on Public Works and Transportation has approved the work plans transmitted to you which were referred to this Committee. The work plans involved are the following:

STATE, PROJECT, EXECUTIVE COMMITTEE, AND DATE APPROVED

Nebraska: Blackwood Creek, 2848, June 9, 1976.

Texas: Elm Creek, 2848, June 9, 1976.

Missouri and Arkansas: Lower Little Black River, 2848, June 9, 1976.

Missouri: South Fork of Blackwater River, 2848, June 9, 1976.

Oklahoma: Upper Little Black River, 2848,

Oklahoma: Upper Muddy Boggy, 2848, June 9, 1976.

Missouri: Upper Little Black River, 2848, June 9, 1976.

Connecticut: Yantic River, 2848, June 9, 1976.

New Mexico: Zuni Pueblo, 2848, June 9, 1976.

New Mexico: Cottonwood-Walnut Creek, 3091, June 9, 1976.

Virginia: Nibbs Creek, 3091, June 9, 1976.

Mississippi: Oklahoma Creek, 3091, June 9, 1976.

Oregon: Rock Creek, 3091, June 9, 1976.

N. Carolina: Second Broad River, 3091, June 9, 1976.

Mississippi: Shuqualak Creek, 3091, June 9, 1976.

Arkansas: South Fork, 3091, June 9, 1976.

S. Carolina: South Tyger River, 3091, June 9, 1976.

With warm personal regards, I am,

Sincerely,

ROBERT E. JONES.

SUICIDE LEAP TRACED TO INS DECISION

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, I would like to take a few minutes to bring a most unfortunate situation to the attention of my colleagues. On June 5, Mina Bukharsky, one of my constituents in Denver, committed suicide by leaping from the roof of her 9-story apartment building. In her suicide note, Mrs. Bukharsky said that her frustrations over trying to get her brother, Zinoviy Krapivenskiy, and his family out of the Soviet Union were largely responsible for her taking her own life. Mrs. Bukharsky, her husband, and mother are Jewish immigrants from the Soviet Union and have been in the United States for about 2 years.

This case is unusual. Usually it is the Soviet Union that presents obstacles when a person desires to immigrate. In this case, however, it is the United States Immigration and Naturalization Service, INS. Mr. Krapivenskiy's wife, Alla, was, at one time, a member of the Communist Party. She joined the party for economic reasons—to receive a job advancement so that her family could have a better life. I think it is important to realize that the Soviet system is very different from our own. The Soviet people do not enjoy the freedoms that we enjoy. They are not free to change jobs and better themselves regardless of their political affiliation. In many cases, job advancement and a decent life depend on whether or not you join the Communist Party. So, in order to obtain a job advancement and a larger salary to assist in the support of her family, Alla Krapivenskiy joined the Communist Party.

U.S. immigration laws, however, stipulate that a person who is, or has ever been, a voluntary member of the Communist Party will not be allowed to enter the United States. There is a provision in the law waiving this ineligibility for persons who were "involuntary" members of the Communist Party. In most cases, a person who joins the party for economic reasons is said to be an involuntary member. On the basis of an interview with Mrs. Krapivenskiy, the U.S. Embassy in Moscow has recommended that a waiver be granted in her case. However, the Krapivenskiy family cannot enter the United States under the provisions of the Immigration and Nationality Act of 1952, as none of their family members residing in the United States are qualified to file an immigrant visa petition on their behalf. As a result, their application must be processed under the "Third Country Program."

Under the third country program, individuals who have received exit permission from Soviet authorities to join relatives in the United States, but who are not qualified under the Immigration and Nationality Act, are processed preliminarily by the U.S. Embassy in Moscow. They are then given the documentation necessary for them to depart the Soviet Union for Rome, where a branch office of the U.S. Immigration and Naturalization Service processes their case for "conditional entry" into the United States. All questions of eligibility for entry into the United States for applicants under the third country program are decided by the INS in Rome.

The INS office in Rome has determined that Alla Krapivenskiy voluntarily joined the Communist Party and is ineligible for entry into the United States. The INS contends that since she did not need the job advancement to meet the basic necessities of life or, in other words, to keep from starving, she did not have to join. Surely, this is a very narrow view. I wonder how many of the bureaucrats at INS would, if they were in Alla Krapivenskiy's situation, forego a chance for an income that would make a hard life a little easier.

Alla Krapivenskiy has journeyed to the U.S. Embassy in Moscow twice to tell her story. The last time, she signed an affidavit stating that she only joined the Communist Party for economic reasons. The Embassy officials, who have had direct contact with Alla Krapivenskiy, who have spoken with her and heard her story, believe she qualifies for a waiver. The INS officials in Rome, who have never seen or spoken with Mrs. Krapivenskiy, do not. After studying her case, it seems to me that her reasons for joining the party were purely economic. I am going to write Leonard Chapman, head of the INS, on her behalf. If you would like to join me, it would be much appreciated.

THE NEED FOR ENERGY CONSERVATION IN THE UNITED STATES

The SPEAKER pro tempore, Under a previous order of the House, the gentle-

man from Massachusetts (Mr. DRINAN) is recognized for 60 minutes.

Mr. DRINAN. Mr. Speaker, I greatly appreciate this opportunity to spell out some of my own perspectives on energy conservation in the United States. I will subsequently yield the balance of my time to the prime sponsors of H.R. 14205, and to other interested Members of Congress for a more complete discussion on the subject.

I am proud to lend my sponsorship and strong support to the Omnibus Energy Conservation Act of 1976, H.R. 14205. I list the cosponsors herewith:

Mr. O'NEILL, the majority leader; Mr. BROWN of California; Mr. DINGELL; Mr. DRINAN; Mr. MCCORMACK; Mr. MOORHEAD of Pennsylvania; Mr. REUSS; Mr. STAGGERS; Mr. TEAGUE; Mr. THORNTON; and Mr. WIRTH.

Mr. Speaker, somewhere along the line, energy conservation got a bad name. For most Americans, the term evokes images of cold living rooms, inadequate lighting and slower highway speeds, and the major fuel producers would have us believe that energy conservation is synonymous with self-sacrifice. The concept of conservation could not be more seriously misconstrued.

Simply stated, energy conservation means energy-efficiency—the most for the least—and does not necessarily require any serious curtailment of our standard of living. More than 50 percent of the energy consumed in the United States goes unused in the form of waste heat, despite the fact that recent technological advances have made it possible to recover and reutilize a significant portion of this energy, and at a lower capital cost than most new fuel supplies. Until a certain level of efficiency is achieved, investment in conservation is economically more productive than investment in new energy. Promoting conservation through legislation is not just a good idea; it is good business.

As an instructive example of this kind of approach to energy conservation, I draw your attention to the industry of West Germany, which uses 40 percent less energy per unit of industrial output than does the United States and, incidentally, has almost the same level of per capita GNP. Several other Western European countries have achieved similar results, and actually use 60 percent less energy per capita than we do, without any demonstrable sacrifice of either jobs, quality of life, or GNP. Thus substantial, economically viable energy conservation is not only theoretically possible, but proven.

It would be irresponsible not to acknowledge the many social ramifications of energy conservation, or to imply that we should not carefully reassess our relatively extravagent lifestyles in light of economic and environmental realities. Even so, it is important to emphasize that radical improvement in the energy-efficiency of our homes, commerce, transportation, and industry need not dictate major changes in the way we live our lives. Energy conservation goes well beyond questions of misplaced priorities; it is also a matter of waste, pure and simple.

Mr. Speaker, rather than attempt a complete discussion of the entire range of energy conservation issues, I would like, with my colleagues in the House, to examine the importance of H.R. 14205, both as it relates to legislation that I have filed and also as it would increase the potential for conservation in particular sectors of our energy situation.

Mr. BROWN of California. Mr. Speaker, will the gentleman yield?

Mr. DRINAN. I yield to the gentleman from California (Mr. BROWN), who has done an extraordinary amount of work, very effective and lasting work, in this area.

Mr. BROWN of California. Mr. Speaker, I very much appreciate the opportunity presented by the special order to discuss energy conservation. The timing of this discussion could not have been better, and I commend the gentleman from Massachusetts (Mr. DRINAN) for providing the leadership in organizing this event.

THE 94TH CONGRESS

In preparation for this discussion, I went over the speeches I, and others have made on energy conservation in the 94th Congress. During the course of this review I was struck by how much the 94th Congress has actually done about energy conservation, in contrast to how little the executive branch has done. It seems like a long time now, but it was only 18 months ago when President Ford gave his first State of the Union message. In that speech, President Ford presented his administration's energy program.

The response from the Congress was immediate, and generally negative. The Democratic majority in the Congress did not wish to pursue a policy of higher prices, and larger Federal subsidies of energy production, to the exclusion of energy conservation policies, and fundamental reforms in the distribution of wealth and power in the United States. Since the executive branch was committed to its policy, the Congress had to develop its own policy to meet the real needs of this country.

I was one of those who responded in detail to President Ford's energy message. In those remarks, which can be found on pages 1174 to 1177 of the January 23, 1975, CONGRESSIONAL RECORD, I said:

> If the conservation strategy was adopted, thousands of oil wells would not have to be drilled, nor acres of prairie strip mined, and large areas would remain available for agriculture instead of being made barren. The risks of the nuclear segment of the energy production economy would be far less if the number of nuclear plants was small. Overall, instead of rushing into energy technologies with many unresolved problems, for each conservation step we would gain time to consider the relative merits of each new technology, and to choose the least damaging of the energy supply technologies.

Realizing that the Congress, as a committee of over 500 Members, is not the branch of Government best suited for leadership, I urged President Ford, and leading members of his administration, to adopt the energy conservation strategy as their highest priority in energy policy. Simultaneously, I urged leading Members of Congress to do the same, and I set about working on constructive, energy conservation counterproposals. My comments to this House in January of 1975 are still valid today:

> What is perhaps remarkable about President's Ford proposals is his failure to use the resources available to him. President Ford has the same documents available to him that I have available to me. Yet he failed to follow many of his own counselors' best advice. This is his prerogative, of course, but the Congress need not agree with the particulars of his proposal. The recommendations I have made are not inconsistent with a coherent national energy policy, nor are they minor objections. I would hope that the Congress substitutes its own judgment in place of the President's on the matters just examined.

My view, after reviewing the work of the past 18 months, is that the Congress has done remarkably well in developing its own programs, and substituting its own judgment on a national energy policy. The situation today, as this special order will point out, is that we have enacted into law, or passed out of one House or the other, a comprehensive package of energy conservation proposals.

Many differences of opinion continue to exist over specific legislative proposals, but a solid majority of the Congress obviously sees the need to enact the remaining pieces of legislation which could fairly be called, the congressional energy conservation program. It is my sincere hope that the House and the Senate can work out the differences in the various energy bills which have passed one House or the other. This is especially important for the House passed tax bill, H.R. 6860, the Energy Conservation and Conversion Act, and H.R. 8650, the Energy Conservation in Buildings Act, which is now in conference. In addition, there are several major initiatives for energy conservation in the authorization bills for the Federal Energy Administration and the Energy Research and Development Administration.

EXAMPLE OF CONGRESSIONAL LEADERSHIP

In spite of the handicaps facing the Congress in attempting to develop its own programs, the Congress has been effective in changing the mind of the Executive in several areas. While I have been quite vocal in my criticisms of the failings in the way Congress does its business, I do believe the successes deserve to be highlighted here.

One of the early successes in the Congress actually occurred in the 93d Congress, largely under the leadership of our colleague from Arizona (Mr. UDALL). This was the drafting and enactment of the Federal Nonnuclear Energy Research and Development Act of 1974 (Public Law 93-577), which provided a charter for ERDA.

That law has been the best tool available to the Congress in forcing the Energy Research and Development Administration to emphasize energy conservation, and other benign energy sources, such as solar energy. It was the Federal Nonnuclear Energy R. & D. Act which required ERDA to do a comprehensive plan and program, which the Congressional

Office of Technology Assessment then analyzed for the Congress. It was the OTA analysis which gave the House Science and Technology Committee the material it needed to justify altering the President's ERDA budget. And it was the OTA analysis that ERDA itself credits with forcing them to change energy conservation in their plan and program to a level of higher, if not highest, priority. Unfortunately, President Ford has not noticed this higher emphasis and the energy conservation budget is still starved for funding.

Another example of congressional leadership is the energy conservation program required in titles III and V of the Energy Policy and Conservation Act of 1975—Public Law 94–163. While the most hotly debated, and least satisfying part of this law was the compromise adopted on petroleum pricing policy and allocation, the least noticed and most commendable part dealt with energy conservation. I am sure other Members will discuss in more detail the importance of these conservation measures, which are the product of congressional initiative.

Two other examples of congressional leadership are H.R. 8800, the Electric Vehicle Research, Development, and Demonstration Act of 1976 and H.R. 13655, the Automotive Transport Research and Development Act of 1976. Both of these bills are now in conference, and should be sent to the President in the near future. Both bills deal with the automobile, which is the largest single consumer of imported oil, and accounts for nearly 15 percent of the Nation's total energy consumption of gas, oil, coal, and nuclear combined. Since the United States has adopted, wisely in my opinion, a policy of reducing imports of oil, these two bills will be important tools for implementing this policy. By developing vehicles which are either much more energy efficient, or use energy sources other than oil, or both, we can drastically reduce our need to import oil.

The battles of the budget which have characterized the Congress' review of the President's ERDA budget are a final area of leadership which deserves mention. We have only had two ERDA authorization and appropriations bills since ERDA's creation in January 1975. In that time, the Congress has given ERDA dramatic increases in authorization for energy conservation, and in the fiscal year underway, the appropriations for energy conservation were also dramatically increased. The full House has not yet considered the appropriations for most of the fiscal year 1977 ERDA conservation budget yet, but I expect that the full House will agree to appropriate what it has already agreed to authorize. The reason for this was best stated by the distinguished chairman of the Public Works Subcommittee of the Appropriations Committee, Mr. EVINS of Tennessee, when he quoted a witness as saying:

We must think conservation.
We must talk conservation.
We must practice conservation.
We must teach our children conservation.
We must make conservation a way of life.

THE OMNIBUS ENERGY CONSERVATION ACT

H.R. 14205, the Omnibus Energy Conservation Act, is a final package of legislation which, together with the bills mentioned above, represents a very comprehensive energy conservation program. The existence of the bill itself is an example of congressional leadership. Among the cosponsors of the Omnibus Energy Conservation Act are: The majority leader, Mr. O'NEILL, the chairmen of the three committees which have jurisdiction over the bill, and the chairmen of the three subcommittees within those committees which have jurisdiction over this bill.

The Omnibus Energy Conservation Act is broken into two titles. Title I deals primarily with the financing of energy conservation expenditures in residential housing, commercial and public buildings, and industrial plants. Title II deals mainly with public education, training, and technical assistance, and an expanded and directed energy conservation research, development, and demonstration program. Title I was jointly referred to the Committee on Interstate and Foreign Commerce and the Committee on Banking, Currency and Housing. Title II was exclusively referred to the Committee on Science and Technology.

While I am certain that other Members will be addressing the merits of the Omnibus Energy Conservation Act, I think it can be expected that the committees of the Congress will act on individual parts of this bill, just as they have acted on the individual parts of President Ford's energy bill. The omnibus bill is somewhat unique in this regard because the individual pieces of the bill were introduced before the omnibus bill itself was. As with most legislation, the present form of the legislation has been revised to take account of constructive criticisms and other positive input.

Among the many energy conservation bills introduced into the House, and not yet voted on by the full House are those listed below as inspiration for the Omnibus Energy Conservation Act:

HOUSE ORIGINAL LEGISLATION	EQUIVALENT IN OMNIBUS BILL
H.R. 11805 (Mr. Wirth).	Title I.
H.R. 12024 (Mr. Drinan).	Title I and Title II, Part A.
H.R. 12398 (Mr. Staggers).	Title I.
H.R. 11091 (Mr. Thornton).	Title II, Part A.
H.R. 13676 (Mr. Thornton).	Title II, Part A.
H.R. 12651 (Mr. McCormack).	Title II, Part B and Part A.
H.R. 8494 (Mr. Drinan).	Title II, Part C.
H.R. 12787 (Mr. Brown of Calif.).	Title II, Part C.

It is necessary to note that many dozens of Members are cosponsors of one or more of the bills listed above, and every committee involved has had extensive hearings on energy conservation and received numerous recommendations for legislation such as that contained in H.R. 12405, the Omnibus Energy Conservation Act. One need only consider the hours spent in consideration of the bills already passed the House to realize that this legislation is not new, or unique, or even very innovative. In fact, the administration could have, and should have initiated such a bill itself. However, in the absence of Executive leadership, and in the face of their opposition, the House has done very well by itself.

The lead author on the Omnibus Energy Conservation Act, the distinguished majority leader, inserted a fairly comprehensive summary of H.R. 14205 in the June 8 CONGRESSIONAL RECORD on pages 16899–16901. I would recommend this summary to any Member who would like to quickly review this bill.

Title I primarily contains what has come to be known as the Kennedy Energy Conservation Act, because of Senator KENNEDY's leadership on this issue in the Senate, and as chairman of the Energy Subcommittee of the Joint Economic Committee. The hearings in the Joint Economic Committee, and the Senate committees concerned with this legislation have resulted in widespread support and awareness of the merits of title I of H.R. 14205 in particular.

Title II of the omnibus bill contains three subsections which could, and have stood as separate bills. Title II, part A, establishes a nationwide Energy Conservation Extension Service. This legislation was initiated after the administration failed to follow a rather plain hint from the Committee on Science and Technology to get moving in this area. The main mover of this concept was our colleague from Arkansas (Mr. THORNTON), who drafted and introduced H.R. 11091. After extensive hearings in the Science and Technology Committee this bill was revised, and reported out of the committee, as H.R. 13676, where it is pending before the full House.

Title II, part B of H.R. 14205 establishes State Energy Conservation Research and Development Institutes by authorizing a Governor of a State to designate one college or university as the State institute.

This legislation is a rather direct outgrowth of the Science and Technology Committee's concern about training of researchers to conduct energy conservation research. Our annual authorizations for ERDA have addressed this problem, as we have with the National Science Foundation. The Energy Research and Development Institutes would provide a focal point for energy conservation research and training, and would be an important adjunct to the Energy Conservation Extension Service which would also operate in the State. The institutes would also provide a valuable service to the Nation by expanding the capabilities of ERDA to conduct research and development.

Title II, part C, establishes an energy efficiency research development and demonstration program in ERDA to demonstrate energy efficiency technologies in residential, commercial, industrial, and agricultural sectors. This legislation was originally introduced by myself, Mr. MCCORMACK, and Mr. THORNTON as an outgrowth of our hearings on energy conservation research, development, and demonstration in general, and our hearings

on Mr. DRINAN's bill, H.R. 8489, in particular. Title II, part C, is modeled after the approach adopted by the Science and Technology Committee in the Solar Heating and Cooling Act; the Electric Vehicle R.D. & D. Act; and the Automotive Transport R. & D. Act. The major difference between the language in the omnibus bill, and those other acts is that ERDA is directed to conform its R. D. & D. program to meet the needs of the Energy Policy and Conservation Act, and the Energy Conservation in Building Act.

The reason we need an energy efficiency research, development and demonstration program can be traced back directly to the failure of the administration to exercise the broad authorities available to them under the Energy Reorganization Act, the Federal Nonnuclear Energy R. & D. Act, and the Energy Policy and Conservation Act. Because of the opposition at the highest levels of the administration to an effective, vigorous demonstration program, or even a research and development program, the Congress will have to specifically outline its own program and closely oversee its implementation. This has been the case with the Solar Heating and Cooling Act, and it is the case with energy conservation.

COORDINATION

The one problem which plagues both the Congress and the administration, especially in as complex an area as energy, is coordination. We have found that regardless of whether there are 10 agencies or only 1 agency involved with an energy problem, there are coordination programs. Our federal system of government guarantees that the Federal Government will have to coordinate with at least 50 States, and the checks and balances we put in the Federal Government cause other coordination problems.

Meanwhile the Congress is at least as poorly organized, if not more poorly, to deal with energy issues in a coherent, consistent, comprehensive, and responsible fashion. This fact makes the accomplishments of the 94th Congress all the more remarkable.

The Congress attempted to force the President to confront this problem when it passed the Energy Reorganization Act of 1974—Public Law 93–438. This law contained two sections, sections 108 and 109, which set up an "interim" coordination body and required the President to consider, reorganization of the executive branch. To the best of my knowledge, the President never made a serious attempt to comply with section 109, the reorganization part, of this law. Section 108 created the Energy Resources Council, which was charged with the responsibility to "insure communication and coordination among the agencies of the Federal Government which have responsibilities for the development and implementation of energy policy or for the management of energy resources." The Energy Resources Council was also charged with the responsibility of making recommendations to the President and the Congress for improvement of this coordination. The fact that the problem still exists, and is perceived by most observers as severe, demonstrates the effectiveness of the Energy Resources Council under the present administration.

The Congress has been accused of aggravating the situation in the executive branch by passing conflicting laws. I would not claim that this does not happen, but if it can be documented, the President or his staff should do so, and make recommendations for improvement.

The energy bills under discussion during this Special Order are an example of a sincere, and conscientious effort by the Congress to avoid duplication, and conflicts. For example, the Federal Nonnuclear Energy R. & D. Act requires ERDA to present in its comprehensive plan and program an explanation of "the relationship of the proposed program to any Federal national energy or fuel policies." This would obviously include the Energy Policy and Conservation Act which requires industrial and transportation efficiency standards. Another example is the language of the Energy Conservation Extension Service bill—part A of title II of H.R. 14205—which requires the Energy Extension Service to fully utilize the existing energy outreach programs, and allows the Governor of a State to merge this program with the State Energy Conservation Plans required under the Energy Policy and Conservation Act.

There are many other examples but they need not be repeated here. It should be pointed out that section 106 of H.R. 14205 specifically addresses the coordination of Federal Energy Conservation activities under this proposal, and other provisions of law. I would like to see us do better, but I suspect this is an area where the Congress will not be able to step into the vacuum created by the Executive.

APPROPRIATIONS FOR CONSERVATION

During this discussion of energy conservation, I have implied that the Congress has substituted its own judgment for the administration's judgment in the area of energy conservation. Unfortunately, this is not entirely true. The Interior and related agencies appropriations bill, which is on the floor of the House this Friday, contains only that money requested by the administration for energy conservation programs in the Energy Research and Development Administration.

The ERDA, fiscal year 1977, authorization bill, which has already been approved by the House, contains $67.5 million more in authorization than that asked for by the administration. The Science and Technology Committee's recommendations were, in this regard, quite modest. The testimony presented to our committee showed that ERDA could easily, and probably should, spend over $100 million more than the President asked for. The Appropriations Committee decided, if my information is correct, to wait for the administration to ask for a supplemental appropriations if they need more money. This would make sense if the people who make requests for supplemental appropriations were either interested in energy conservation, or were the people who at least are charged by existing law to conduct a vigorous energy conservation program. The posture of the Appropriations Committee in this specific area is counterproductive to the effective development of a congressional energy conservation program. The Congress is well on its way to enacting a well-founded conservation program. Unless the Appropriations Committee agrees to fund that program, as is envisioned in the budget resolution and in the authorizing legislation, the administration's "do nothing" policy will be reality.

CONCLUSION

Mr. Speaker, it is obvious from all of this verbiage that I am extremely interested in energy conservation. Yet it would be unfair for me to continue at this time. I have been a frequent contributor to the CONGRESSIONAL RECORD and various committee hearings on this subject, and my views are probably well known to one and all. But in case this is not true, I would like to cite a few of these past efforts. Early in 1975 I was honored to speak to a conference sponsored by several California chapters of the American Institute of Architects. Senator HOLLINGS, a leader in the Senate efforts to enact a congressional energy conservation program, inserted this speech in the February 24, 1975, CONGRESSIONAL RECORD, pages 4089–4091. In those remarks I addressed many of the issues here today, with a particular focus on energy conservation in buildings, which is the subject of H.R. 8650 and is also addressed in H.R. 14205.

The other reference which should be noted is the "Special Order on Energy Conservation" which was held just a little less than a year ago in this House. During that Special Order, which I was pleased to organize, a very thorough record was established on the need for a comprehensive energy conservation program. Those remarks can be found in the July 14, 1975, CONGRESSIONAL RECORD on pages 22635–22654.

I thank the gentleman from Massachusetts (Mr. DRINAN) for this time to discuss the Omnibus Energy Conservation Act and other important aspects of energy conservation policy.

I might say the necessity for this bill arises out of a gap which has developed within the present administration relative to its concern about overall energy matters. There has been a tendency to focus the primary interest upon energy supply, and while we all recognize the importance of energy supply and maintaining the flow of energy necessary to the American economy, it is sometimes more difficult to recognize the fact that it is in many cases more economical and more desirable to find ways in which we can accomplish the same goal with a lesser amount of energy.

In this area, although the President has given acknowledgment of the importance of the area, there has been a dearth of actual programs and a dearth of funding for energy conservation programs.

So the legislation which Members of the Congress have introduced and which in many cases the Congress has passed over the last year and a half is intended to fill this gap between what we might call the verbiage of the administration

and its actual performance. I would like in my additional remarks to spell out in more detail both the performance of this Congress, the exceptionally good record that it has made in spite of some of the criticisms which have been made of it, and how this record by this Congress does fill the gaps in the failure on the part of the administration to perform.

Mr. Speaker, let me just conclude by expressing again my appreciation to the gentleman from Massachusetts (Mr. DRINAN) for organizing this effort on behalf of energy conservation. The interest which this effort has generated, I am sure, bodes well for the passage of the remainder of a broad energy program in this Congress, and it is my personal opinion that this will go down in history as one of the landmark performances and one of the truly vital legislative programs that this Congress has enacted.

Mr. DRINAN. Mr. Speaker, I thank the gentleman from California (Mr. BROWN) for his remarks, and I commend him upon his initiative in formulating H.R. 14205, which I think is most important legislation and which hopefully will pass in this session of Congress.

Mr. SCHEUER. Mr. Speaker, will the gentleman yield?

Mr. DRINAN. I yield to the gentleman from New York.

Mr. SCHEUER. Mr. Speaker, I wish to thank my colleague, Congressman ROBERT F. DRINAN, for requesting these special orders to discuss energy conservation—in the short run the most promising and certainly the most overlooked means for reducing our dependence on foreign sources of oil.

Since the end of World War II, this nation has been guilty of conspicuous consumption of the world's natural resources. Madison Avenue has subtly conditioned us to believe that we must own and operate every energy consuming device on the market if we are to lead happy and fulfilled lives. Such an attitude has transformed this Nation into the "Disposable Society," a society in which we buy commodities which are used once or twice and then thrown out.

If we lived in a world of unlimited natural resources, or even in a world in which we were guaranteed two-thirds of the available natural resources, this practice might be more acceptable. Yet, one need only look at the hostility of the nations of the Third World toward the industrial nations in general, and the United States in particular, to realize that our consumption levels will be maintained only at a tremendous cost to our pocketbooks, if at all.

Slowly but surely the actions of the Third World are forcing a change in their relationships with their industrial counterparts. No longer willing to act merely as supplicants for economic aid and providers of raw materials—they now demand what they perceive to be their fair share of the wealth of nations. If the United States is to maintain its current standards of living, it must adjust by making less go farther. The United States with less than 5 percent of the world's population consumes over one-third of the world's energy each year.

Our European counterparts in the industrial world, including Sweden, West Germany, and Switzerland, all have approximately the same per capita GNP as the United States, yet these nations only consume 60 percent as much energy per capita as the United States. We can and must reverse this trend.

For the United States, the first and most critical step in curbing our consumption of scarce resources must be to restrict our consumption of oil. If we can significantly reduce our demand for petroleum then we will be well on the road to coping with the decreasing availability of other scarce nonrenewable natural resources.

Our economy is founded on the assumption that unlimited sources of cheap energy will always be available. This assumption, originally based on the reality that the United States had vast stores of oil, and on the notion that the Arabs were too ignorant and backward to demand more for their oil, is clearly inoperative in 1976. Our homes, factories, offices, and schools were built with little concern for energy efficiency. These inefficiencies represent our greatest obstacle, and ironically, at the same time, our greatest hope for achieving energy independence in the near future.

Somewhere between 40 and 50 percent of the energy we consume could be saved if we practiced proper methods of conservation. But that requires an economic commitment from homeowners, apartment owners, owners of office buildings, and industry to invest in energy conservation. While OPEC has suddenly given large consumers of energy new incentives to practice conservation—by quadrupling oil prices—energy conservation is still viewed as being less profitable than investment in new equipment for the production of more goods. Yet if industry does not change its ways, it will not be able to afford the energy it needs to continue producing.

INDUSTRY

Forty percent of America's annual energy pie is consumed by industry. The installation of some proven and elementary technologies could save vast amounts of energy.

First, manufacturers could produce vast amounts of steam in-house, yet they continue to purchase all their electricity from utilities. If industrial steam were used to produce electricity, through a process known as cogeneration, instead of being wasted as it is today, much more electricity could be produced than the entire industrial sector requires. This energy could be transferred back into the electrical grids of the United States and made available to other consumers of electricity.

In fact, during the 1920's and 1930's many paper companies were producing electricity in this fashion. However, the Justice Department ruled that they were expanding their operations unlawfully and forced them to stop competing with utilities. This wasteful interpretation of the law must be reversed. The West Germans currently produce over 30 percent of their electricity through cogeneration. Can we afford to produce any less?

Second, 44 percent of the energy now used in industry is invested in steam production. If elementary solar techniques were used to preheat the water, we could triple the output of steam per unit of fuel consumed, thus conserving energy. Likewise, if hot water was preheated by solar techniques and the pipes in which the water was transported were properly insulated, significant energy savings could be achieved.

The primary metals industries, which use about one-fifth of all industrial fuel, present great opportunities for energy conservation. Using existing technologies such as more efficient blast furnaces, the recapturing of waste heat, and the use of continuous casting instead of ingot pouring, could save the steel industry over 50 percent of its current needs by 1995, for example.

BUILDINGS

The buildings in which we live, work, and play could also be made more efficient if proper energy conservation technologies were used.

First, proper building materials could significantly reduce the amount of energy used in the construction of a building as well as in its daily operations. If steel were used instead of aluminum in the construction of buildings, the energy and economic cost of construction could be greatly reduced.

By the same token, if glass, which is a very poor insulator, was used less or only on the north side of buildings in the South, and the south side of buildings in the North, its benefits for heating and cooling could be optimized and large energy savings would result.

Thirty to 50 percent of the operating energy in most existing buildings can be conserved by installing proper insulation, by insuring that all spaces and joints are properly sealed so that hot and cool air cannot escape, by substituting fluorescent bulbs for filament bulbs, by reducing excessive lighting, by using efficient furnaces and air conditioners, and by installing heat pumps which are several times more efficient than electrical resistor heaters currently in use. All new heating, cooling, and hot water systems should be designed for eventual conversion to solar power.

SOLID WASTE

We could save over 500 million barrels of oil a year while eliminating the eyesore and environmental degradation which both result from solid waste landfills if we provided stable long-run funding for solid waste conversion systems which can produce both oil and gas from our urban wastes. The energy equivalents of the savings which could be achieved by cogeneration would be equal to 15 percent of all fuel consumed by utilities in 1973; or 90 percent of all oil projected to be delivered through the Alaskan pipeline; or six times the energy savings estimated from the 55 mile-per-hour speed limit fuel conservation program in 1973–74; or 3 percent of all energy consumed in the United States in 1973.

This energy savings comes from two areas. First, processed solid waste is directly combustible. Second, materials re-

covered from solid waste—for example, aluminum, iron, steel, copper, and zinc—can be recycled into usable products at an energy cost far lower than that associated with the production of metals from virgin materials. For example, a recycled ton of aluminum consumes one-twentieth the amount of energy as a ton of aluminum made from virgin material.

TRANSPORTATION

Transportation accounts for 42 percent of the American energy budget. Yet we still continue to produce gas guzzling behemoths for our personal transportation, we insist on traveling to work by ourselves in our own vehicles, and we refuse to use mass transportation. For every 100 pounds we take off a car's weight, we increase its fuel efficiency by 2.8 percent. The use of a standard transmission and the use of radial tires could increase automotive fuel efficiency by 10 percent.

The use of car and van pools to and from work could vastly increase our energy supplies by reducing our demand for oil. Similarly the use of buses and trains would greatly help decrease our need to import oil as they are vastly more energy efficient than cars.

COAL CONVERSION

Finally, if we are to successfully reduce our dependence on OPEC oil and thus OPEC's influence over this Nation, we must use our most abundant source of energy, coal. Conservation means not only using more efficient technology to make the oil and gas we have go further, but also means switching from scarce oil and gas to abundant coal. The United States has between 400 and 600 years of coal reserves which can be used to meet our energy needs. Our coal reserves have a far greater energy producing potential than does the entire world's proven oil reserves. The challenge is to mine and use that coal in an environmentally sound manner. There are technologies which are on the verge of being commercially viable but in which we must invest more time and money. In-situ mining of coal is a clean and efficient way of mining this valuable resource. It allows us to exploit coal resources which are not at present economically recoverable by conventional mining, while at the same time creating no environmentally insulting waste byproducts.

We should also be encouraging people to convert from the use of oil and gas to coal. Methods of burning coal such as fluidized bed combustion have been successfully developed in recent years. Fluidized bed combustion is an ideal way to burn coal as it creates more steam per pound of coal than conventional methods of burning and emits pollutants well within EPA's permissible levels.

It is obvious that we could significantly reduce our consumption of energy through a conscientious and diligent program of energy conservation. The Congress must provide dollars in direct grants and/or loan guarantees to the American public and business community so that they find it financially attractive to redesign their homes, offices, and businesses so as to consume less energy, and most especially, to consume less oil and gas.

Unless and until the Congress provides these financial incentives, the United States will be increasingly at the mercy of the OPEC nations who will use their oil power to direct and control our domestic and foreign policy.

Debate on the floor of the House has centered almost exclusively on the supply side of the energy equation. Yet demand control through energy conservation is clearly the best bet for short-term reductions in our consumption of scarce energy resources, and swift movement toward our high-priority goal of national oil independence.

Mr. DRINAN. Mr. Speaker, at this time I wish to yield to the gentleman from New York (Mr. OTTINGER), who is the founder of the Environmental Study Group here in the 94th Congress, and who has distinguished himself in all areas of energy.

Mr. OTTINGER. Mr. Speaker, I thank my colleague, the gentleman from Massachusetts (Mr. DRINAN), and I want to join other Members in congratulating him for his initiative in taking this special order and for the very fine work he has done in putting together H.R. 14205, the Omnibus Energy Conservation Act.

Hurrah. I feel today that we are all gathered here to welcome "the little engine that could," or maybe I should say "the omnibus that could." Everyone—ERDA, FEA, OTA, GAO, and the appropriate congressional committees—all have said that conservation should be top priority in our efforts to achieve energy independence. Many of us have been waiting long and hard for a comprehensive energy conservation program—and here it is at last and on the right track.

For the past year and a half, our energy policies have been my prime concern, serving on both the Energy and Power Subcommittee of Interstate and Foreign Commerce and on the Science and Technology Energy, Research, Development, and Demonstration Subcommittee. As many of you know, I have spoken against the predominant administration national policy that would commit us to an uneconomic environmentally hazardous, capital intensive and irrevocably extensive development of high technology nuclear and synthetic fuel development. Those of us who have opposed this policy have been berated for slowing down our economic growth, jeopardizing the job market, opposing technological development, and impeding a diversified energy program.

In reality, I favor a diversified energy development program; but one which puts priority on the least costly, most labor-intensive and environmentally advantageous options. Thus our top priority should go on immediate implementation of conservation and renewable energy options, while research goes forward on the supply side of the equation. I thus favor the $416 million synthetic fuel research and development program now authorized for ERDA, but not loan guarantees that will advance its application ahead of conservation or renewable applications at tremendous cost. I also strongly urge the continued research on the safety aspects of nuclear power rather than sailing ahead with multi-billion subsidization of a questionable breeder program.

What the country needs first and foremost is a strong, moving and comprehensive conservation program. And, thank goodness, we have the beginnings of it here today.

The questions we seek answers to in evaluating energy programs should concern efficiency, economics, employment, and energy supplies. We should ask how the energy demands of the country will be satisfied, how many barrels of oil can be saved, how much programs will cost, initially and over the life of a project, and how many jobs will be created.

I think that there is enough evidence before us now to show that an energy conservation program such as that proposed in the Omnibus Energy Conservation Act, H.R. 14205, will answer these questions positively and productively.

We have had work done in universities such as Ohio State and Princeton, industrial companies such as 3M and Du Pont, utility companies such as the Natural Gas Co. in Seattle, Wash., studies by American Institute of Architects, Stanford Research Institute, Ford Foundation, and World Watch—all testifying to the methods and successes of energy conservation.

A great deal of material substantiating the "profits" of energy conservation took place recently at a conference entitled "Energy Efficiency as a National Priority," sponsored by the Public Interest Research Group and organized by Garry DeLoss.

I would like to share some of the information I have gathered over the past year which has led me to this commitment to seek an energy conservation program as a top national priority—and emphasize that it will not come about with the present commitment of our Federal Government to less than 2 percent of our national energy budget devoted to conservation programs.

Those areas of conservation that are of particular concern in this legislation are residential, commercial and industrial energy use. These are important, but they are just a start. A larger energy efficiency program is needed to cover the 24-percent direct fuel consumption used by transportation, the efficiencies to be gained from all forms of appliances, and the energy saving of 1.3 million barrels of oil per day that would be possible if we recovered 55 percent of the energy available from urban waste. All these areas should be part of a national conservation priority program.

The United States while consuming 30 percent of the world's energy uses two to three times the energy per capita than other industrialized countries with relatively the same gross national product per capita like Germany, Sweden, and Switzerland.

Both the Federal Energy Agency and the Energy Research and Development Administration have stated that we could cut our energy consumption by 30 percent with no effect on individual life styles or in industrial output. Surely, this should have been the priority path for Project Independence all along.

Many studies confirm the feasibility of such conservation achievement. For one example, the American Institute of Architects projects that fuel consumption in existing buildings could be reduced by 50 percent and in new buildings as much as 80 percent with proper insulation. We have 40 millions homes in need of additional insulation, 113,048 manufacturing plants, and 24 billion square feet of commercial and industrial office space; so a lot can be accomplished just by insulation—and it creates huge, labor-intensive markets for doing the work—and for insulating materials as well.

AIA predicts that over a 15-year period the capital required for energy efficient new buildings will be 10 to 20 percent above usual construction cost. However the projected capital requirements of $314 billion over a 15-year period would result in the savings of energy costs of $892 billion.

A very specific analysis confirming these economies is one just completed at Ohio State University where six buildings were insulated at an investment of $206,344, saving $36,345 in annual utility costs.

The Dubin-Mindell-Bloome engineering firm's study for Long Island Lighting Co. found that a strong conservation program including solar energy, would eliminate the communities' need for a $2 billion investment in two nuclear plants. And equally important, the study projected 64,000 jobs for a conservation program versus 16,000 jobs for construction of the nuclear plant.

I cannot understand why a conservation program should bring anything but cheers for the employment market. It is by far the most labor-intensive energy plan.

According to a recent Johns Manville report, if 20 million homes were retrofied, we would create 40,000 new jobs just in insulating.

A Stanford Research Institute study done for the Sheet Metal Workers International concluded that for the $2 billion solar heating and cooling industry forecast by FEA by 1990, $1 out of every $4 would go to wages. FEA in its Project Independence report stated that solar technologies required 2.5 times more labor per unit of energy produced than nuclear power.

Questions of energy efficiency, economics, employment and energy supply affect industrial processes as well as the operation and maintenance of residential and commercial buildings.

Industry currently consumes 40 percent of the country's fuel and 45 percent of industrial fuel is used to generate process steam. There is a great opportunity for improving the efficiency of industrial processes by the cogeneration of industrial steam and electricity. If steam were used first to power a turbine to generate electricity, and the exhaust steam were used for lower process heat needs, the system would be twice as efficient as central powerplant generation. A study by Dow Chemical Co. suggests that it would be profitable for industry to construct 71,000 mw of electrical generating capacity by 1985 to supply industrial electrical needs and sell some to utilities. The Sears, Roebuck & Co.'s distribution center in Columbus, Ohio, contains a new total energy plant that provides electricity, heating, and air conditioning for a 3 million square foot facility.

According to Fred Dubin, 220 million gallons of oil would be saved a year if the combustion turbines now used for base loads in New York City's central electric generating were installed in total energy system housing projects, industrial plants or commercial complexes.

If we can be saving 12.5 million barrels of oil a day—4.5 billion barrels per year—by 1990 by designing energy efficient buildings as the AIA predicts, and if energy conservation saves money as the Ohio State program illustrates, why have we waited so long?

Perhaps Donald Navarre of the Washington Natural Gas Co. in Seattle whose energy conservation program that 8,000 new customers can receive gas without increasing supply was right when he said:

> We suddenly realized we had been sitting atop a new gas field for years and didn't recognize it.

We have been waiting for a policy which would bring those programs into operation. I believe H.R. 14205 an important start. We need to get the information out and the energy extension service, State programs and advisory committees provided in this bill can help do this. We need energy guidelines and I think the energy audit will implement practical plans and techniques.

We may need varying forms of financial assistance and I think the availability of State assistance grants, loans guarantees, assistance for low-income persons and small business is necessary. I laud the provisos, however, which limit financial assistance to only those who show substantive energy and economic need.

As a member of both the Committee on Interstate and Foreign Commerce and the Committee of Science and Technology I have urged the expansion and implementation of energy conservation and solar energy programs both in FEA and ERDA. Congressman GILBERT GUDE and I have also introduced a bill to require that buildings financed with Federal funds utilize the best practical measures for the conservation of energy and the use of solar energy systems. The legislation is based on the work done by FEA in its Solar Energy Government Buildings project and the research and development within ERDA. It would also further the objectives of this legislation. I am heartened that we have a bill before us which will bring both congressional committees and Federal agencies together on a priority program for energy conservation. I want to commend my colleagues and their staffs who have organized and created this comprehensive program.

I urge all Members to join with us in bringing forward a conservation program that is sorely needed.

Mr. DRINAN. Mr. Speaker, I thank the gentleman from New York (Mr. OTTINGER) for his remarks.

At this time, Mr. Speaker, I am happy to yield to the gentleman from Pennsylvania (Mr. MOORHEAD), who as the chairman of the Subcommittee on Conservation, Energy, and Natural Resources of the full Committee on Government Operations, has done extraordinary work in every aspect of the subject of conservation of energy and on all of the issues related to it.

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, I thank the distinguished gentleman from Massachusetts (Mr. DRINAN) for yielding.

I might state to my friend, the gentleman from Massachusetts, that I am probably cosponsoring this bill in my capacity as chairman of the Subcommittee on Economic Stabilization of the Committee on Banking, Currency, and Housing.

What I would like to do, Mr. Speaker, is to address a question to the gentleman from Massachusetts (Mr. DRINAN).

We have heard very eloquent remarks from the gentleman from New York (Mr. OTTINGER) about the need for conservation. We heard equally eloquent remarks from the gentleman from California (Mr. BROWN) about the supply-and-demand situation.

Just recently the Subcommittee on Economic Stabilization reported to the full Committee on Banking, Currency and Housing which, in turn, reported to the House a bill for the development of synthetic fuels, which is to increase the supply.

Mr. Speaker, the legislation which the gentleman from Massachusetts and I cosponsor is just the opposite side of the coin, which is to decrease the demand.

I would like to ask the gentleman if he does not think that a balanced program of increasing the supply and decreasing the demand is not the proper approach for this Nation tc achieve greater energy independence?

Mr. DRINAN. Mr. Speaker, I thank the gentleman for his remarks and for his very perceptive question. I am inclined to agree with my distinguished colleague that a policy of slowed energy growth is an essential attribute of the bill, H.R. 14205, of which we are both cosponsors, I also want to emphasize the fact that achievement of a meaningful reduction of our energy growth rate needs not involve major sacrifices in our standard of living, or compromise of our commercial and industrial output. We are simply stating that if economic growth remains constant, we can, nonetheless, save very significant amounts of energy by the application of technology which is already known, and also by new technology which may be rapidly developed. We can significantly reduce our energy consumption without cutting back on those energy needs which, especially in industry, are essential to the ongrowth of this country.

Mr. MOORHEAD of Pennsylvania. I meant by eliminating wasteful use of energy, we decrease the total demand and, therefore, bring a better balanced program to the Nation.

Mr. DRINAN. The gentleman is quite right.

The possibilities of diminishing the actual amount of energy used in indus-

try and among consumers are just astronomical. It is almost incredible that we are wasting 40 or 50 percent of the energy that we are now expending.

In most European nations and in some industries in this country, they have utilized the technology that we know and they have very substantially cut down on their use and consumption of energy.

I might make reference to a bill which I myself have filed to give limited, modest assistance to industries, especially highly energy-intensive industries, so that they would be able to apply modern technology to cut down on the consumption of energy in those particular areas.

Mr. Speaker, I am especially familiar with the great potential for energy savings in the industrial sector, having introduced the Industrial Energy Conservation Act more than 14 months ago. The broad support which this legislation has received—78 cosponsors in the House—must be considered reflective of a growing realization that American industry is replete with needless energy waste. I am deeply pleased that the Omnibus Energy Conservation Act incorporates a similar mandate for development of energy-efficient industrial technologies.

While U.S. industry has become accustomed to the availability of cheap energy supplies over the last several decades, our resource-starved foreign counterparts have been forced to come to grips with energy efficiency as a matter of sheer economic survival. The contrast between the two consumption patterns is simply staggering.

The West German paper industry requires 43 percent less energy than equivalent American producers for each ton of paper produced, and 63 percent less energy for each unit of economic output. For the most part these savings are not, as might be assumed, a result of radically advanced technology, but a commonsense application of basic thermodynamic principles. By expanding the utilization of waste heat—such as using thermal energy from electrical generation for industrial processes and space heating—significant improvements in energy-efficiency become both feasible and economically attractive. In no way are these savings atypical.

Along similar lines, West German petroleum producers use 50 percent less, the chemical industry 43 percent less, and food producers 30 percent less energy than U.S. industry for each equivalent unit of economic output. Though much of this energy-efficiency must be attributed to prudent long-term investment, and not just in-plant reorganization, the results are an excellent reflection of the amount of concrete energy savings that can be reasonably achieved. With OPEC oil prices now hovering at $13 per barrel, and the availability of continued low-cost energy supplies in doubt, the United States has a good deal of catching up to do.

Independent energy policy analysts have continually asserted the need for both immediate investment in existing energy-efficient technologies, and a greater Federal commitment to ongoing research and development—not a surprising emphasis when one recognizes that American industry consumes more than 40 percent of our total energy supply. The prestigious Ford Foundation Energy Policy Project concluded that short-term savings in the range of 10 or 15 percent can easily be achieved in the industrial sector, with existing technologies and little capital investment.

This industrial conservation estimate, along with others for particular energy sectors, are combined in table I, which highlights the extensive short-term savings possible through conservation.

A 10-YEAR ENERGY CONSERVATION SCENARIO
1976–86
[In quads]

Demand sector:	Annual energy saving possible by 1986	Increased annual energy demand—at current growth rates—by 1986 [1]
Industrial [2]	4.4	7.2
Transportation [3]	5.3	4.4
Residential [4]	4.1	3.2
Commercial [5]	1.5	3.2
Waste utilization [6]	3.0	([7])
(Electrical generation losses and misc.)	---	9.7
Total savings/demand increase	18.3	24.5
Total U.S. energy demand, 1976		77.0
Total U.S. energy demand, 1986		101.5
Total anticipated growth in demand (32 percent)		24.5
Energy savings from conservation (23.8 percent)		18.3
Additional demand, to be met with new energy or increased conservation (8.1 percent)		6.2

[1] Source: "National Energy Outlook", FEA, 1976.

[2] Source: Ford Foundation Energy Policy Project—Estimate of 15 percent short term savings.

[3] Based on mandated auto fuel economy standards, increased carpooling, and greater mass transit utilization.

[4] Source: Johns-Manville Corporation. Assumes retrofit of 40 million homes and residential energy saving of 25 percent.

[5] Assumes a conservative 14 percent energy saving through retrofit.

[6] Source: "Energy Conservation Waste Utilization Research and Development Plan", MITRE Corporation, 1975.

[7] Not available.

NOTE.—1 QUAD equals 172 million barrels of crude oil equivalent, or 10^{15} Btu.

Additionally, House subcommittee testimony delivered by the Thermo-Electron Corp.—a specialist in evaluation of industrial conservation technologies—has projected that a $25 billion investment in this area could eventually yield more than a 30 percent permanent decrease in industrial consumption, and a cost savings which would easily exceed the level of investment. With economic advantages of this magnitude—and no need to compromise the level of production—it is hard to believe that energy conservation in the industrial sector has historically been granted so little attention by the Federal Government.

Mr. Speaker, as I have examined the nature of energy use by American industry, it seems clear that there are two very important roles which must be assumed by Government at the national level. First, although many larger industries have begun to systematically reassess their energy use patterns, many smaller companies feel unwilling or unable to risk any significant amount of capital in conservation programs and "new" energy-efficient technologies. Thus, the Federal Government has a positive role to play in developing and demonstrating the potential of specific conservation approaches, and in providing appropriate outreach services to assist in the formation of prudent energy use decisions. This is essentially the approach which is advocated in my Industrial Energy Conservation Act, and a concept which is largely incorporated in the body of H.R. 14205.

Second, our national energy conservation policy must effectively counter the argument that energy conservation is bad for both business and labor. On the contrary, effective conservation practices yield almost immediate operational savings, and in the long term will free up capital for more productive use. Also, as sophisticated conservation services and technologies become in greater demand in the next several years, research and development at the public and private level will create a continuing reservoir of employment.

As the European experience clearly indicates, serious energy conservation is not a matter of nicety or political aesthetics. Rather, conservation is the use of limited and expensive resources in the most efficient manner possible—a concept which should be readily acceptable to the American business community.

Federal outlays to help demonstrate industrial energy conservation, however modest in scale, will have an immeasurably positive impact in overcoming the reluctance of business and labor to make their own commitments to the furtherance of conservation. Having reached the point where industrial energy expenditures grow by several billions of dollars each year, such a demonstration program—which is incorporated in H.R. 14205—is a small price to pay for the efficient use of energy.

Not only would such a program help reduce our dependence on Arab oil supplies, which constitute almost one-half of all the oil we consume, but it could also achieve all types of desirable economic development for the Nation.

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, if the gentleman will yield further, the bill H.R. 14205 has not only a national economic impact, but an international economic impact and I certainly join with the gentleman from Massachusetts in urging the House to support this legislation.

Mr. Speaker, I rise to express my support of H.R. 14205. Recent action by the House Banking, Currency and Housing Committee, approving a broad based governmental program to develop synthetic fuels is but a part of the answer to the energy problems now before us. It is not enough to seek the answers to our increasing need for energy through expan-

sion of fuel production. This Nation needs a two-edged sword in its battle against the rising demand for energy on the one hand and a diminishing quantity of it on the other. An equal cutting edge must be honed for its conservation and management. That is the logic behind the Omnibus Energy Conservation Act of 1975. That is why each of us should support its prompt consideration and speedy enactment.

Mr. Speaker, to put this proposition another way: Should the United States use billions of tons of coal to keep warm when the oil and gas run out? Or should it change its heating methods? Given the hard facts, I think the American people would choose the latter, but they are not going to be given the facts, and they are not going to have that choice unless this Congress decides to do something about it. Increased energy supply and increased energy conservation are mutually supportive sides of the same equation. One helps balance the other. Each deserves the same emphasis. Neither can solve our national energy problem alone. Together, they can give us the confidence of knowing that our thrift and our common sense are as much a part of today's American dream as they were in our beginning years.

This Nation has become dangerously dependent upon imported oil for its well-being. It does very little for us to note that only a few months ago, we imported more than we produced domestically for the first time ever. This is especially so, if we hear and see these warnings and dismiss them out of mind without taking stock of our real situation. For that reason alone, we should take steps today to move away from furthering our dilemma, and quite possibly, jeopardizing our chances for survival.

Mr. Speaker, energy conservation must become part of the national mandate for the balance of this century, if not into the next. Our economy has begun to quicken, and energy demand is increasing. Each day, the import figures grow larger, and more dangerous concerning their significance and meaning.

H.R. 14205 can be the beginning of that period of our history which, when viewed in retrospect, will be characterized as that moment when America regained her senses, her perspective and her balance after coming dangerously close to losing all three.

The need for energy conservation is acknowledged by all. How it happens and when are our concerns, for if we can legislate standards for our automobiles, is it not also possible to legislate standards for our industries, our commerce and our residential needs for conservation? I believe that it is, and I would hope that a majority of my colleagues would agree that we must do it and do it now. It is the last untouched savings opportunity we have, and it must not be lost.

Mr. Speaker, H.R. 14205 is good legislation. It focuses on energy conservation possibilities within residential, commercial, and industrial areas. Proper investment of conservation effort within all three user areas could return this Nation a handsome profit in the form of energy not used and not wasted. Indeed, the American Institute of Architects has suggested that emphasis on energy efficient buildings for America could help provide the equivalent of 12.5 million barrels of oil saved per day by 1990, but only if we begin today, not years from now. At today's cost of oil, that is an expected savings of $30 billion per year.

Mr. Speaker, I urge my colleagues to join in this effort to match our enthusiasm for increasing the supply of energy for our economic well-being, with an equal commitment to its savings. They are not contrary goals. If anything they are restatements of what I believe this Nation has often demonstrated to be the soundest way of meeting its energy needs.

Mr. DRINAN. Mr. Speaker, I thank the gentleman from Pennsylvania for his remarks and comments.

I now yield to the gentleman from Colorado (Mr. WIRTH). Even since the gentleman from Colorado came here with one of the largest freshman classes in history, the gentleman has distinguished himself in the area of energy. He brings with him from his region a knowledge of energy as well as a vast knowledge in the area of the environment. I welcome his participation here. The gentleman is a cosponsor of H.R. 14205.

Mr. WIRTH. Mr. Speaker, I thank the gentleman for yielding. Like my other colleagues who have spoken, I too would commend the gentleman from Massachusetts (Mr. DRINAN) for putting together this special order.

I am particularly impressed with the breadth of the representation of those cosponsors of H.R. 14205 under the umbrella of the majority leader, the gentleman from Massachusetts (Mr. O'NEILL). And then all of the various committees are represented in the sponsorship of this bill, is that correct?

Mr. DRINAN. Yes. We deliberately sought out those who have taken a lead in this area of energy conservation and asked them to be cosponsors under the umbrella of the majority leadership.

As the gentleman from Colorado knows, energy and environment are divided among several subcommittees and committees of the House. In order to bring all of the initiatives of those several subcommittees together, it was attempted to develop a broad sponsorship of those who have been interested in this area, including the relevant chairmen of the full committees and of the subcommittees.

I would hope that this would give an added strength to this bill which otherwise might not be present.

Mr. WIRTH. Mr. Speaker, there has been much ballyhooing of the problems of jurisdiction between the committees. I think that all of those problems real or unreal, have been obviated in this particular piece of legislation.

Mr. Speaker, I have noticed that in the time that I have been in the House of Representatives that the interests of those persons throughout the country who are interested in energy has been focused predominantly on the supply factor, and I believe, as the gentleman from Pennsylvania (Mr. MOORHEAD) particularly pointed out in his earlier remarks, we have had much too little discussion of the other side, the conservation side. I have noticed this particularly coming from the current administration, the current occupant of the White House in which almost everything they have focused on has been directed only at supply and creating more rather than using better what we have now.

Like the gentleman from New York (Mr. OTTINGER) I sit on both the Committee on Science and Technology and the Committee on Interstate and Foreign Commerce and watch over the jurisdiction of the two big energy agencies, ERDA and the Federal Energy Administration.

On both agencies this administration through the Office of Management and Budget has had an adverse impact in the conservation field for both of those major agencies dealing with energy, which would suggest that the priorities which this administration places on conservation are, despite a lot of pious rhetoric to the contrary, very low indeed.

I think that H.R. 14205, and the kind of leadership that we see both in this House and through the subcommittee support that we see on the other side of the Hill, in the Senate, would reflect the real needs and real desires of this country, which is to have a very aggressive conservation program.

Once again I would commend the gentleman for his efforts in behalf of this bill and for this push in the House of Representatives.

I thank the gentleman.

Mr. WIRTH. Mr. Speaker, like the weather, energy conservation is something that we all talk about, but nobody does anything about it. Or almost no one, anyway. There is frequent and widespread lip service given to the theory of energy conservation, but mostly silence when it comes to translating that theory into concrete programs. So far most of the attempts to "do something" about the energy crisis have revolved around the idea that we have to find ways to meet an ever-increasing demand. The administration's programs, few and far between as they have been, have focused mainly on developing fossil fuels and nuclear power. Little to no thought has been given to ways of quelling growing consumption of energy.

No doubt spurred by the revival of the American love affair with the big car, oil comsumption is on the rise, and for the first time in our history we are importing more than we produce at home. We are becoming more and more dependent upon foreign oil. As the pace of the economic upturn quickens, the volume of oil imported each day grows larger. The dangers to our economy, and the limitations on our freedom of action in foreign affairs, is obvious. Domestic production of sources of energy large enough to fill the gap is probably years, if not decades, away. In the long term, it will be necessary to develop those new energy sources, but in the interim, there is an urgent need to make better use of the energy presently available, in order to keep our energy requirements to an affordable size. The real question is how best to accomplish this.

During recent hearings, the Senate

Commerce Committee was told that energy conservation is the "cheapest source of energy we have," and I second that statement. Energy conservation can be the fastest, most cost effective and environmentally sound way to prevent future energy shortages in the United States while reducing the Nation's dependence on imported energy supplies.

Many studies have documented the very large potential for energy conservation in the United States. The Ford Foundation energy policy project estimated that an aggressive application of energy saving technology could reduce the total consumption by 16 percent in 1985 and by 35 percent in the year 2000. In a still more recent report, entitled "A National Plan for Energy Research, Development and Demonstration: Creating Energy Choices for the Future," the Energy Research and Development Administration estimated that improved efficiencies in end-use energy systems could reduce the annual growth rate of energy consumption from over 3 percent to less than 2 percent.

The new bill we discuss today, the Omnibus Energy Conservation Act, is designed to expand and coordinate U.S. efforts to reduce energy consumption; it contains the major components of several bills now pending before three committees: the Committee on Banking and Currency, the Committee on Interstate and Foreign Commerce and the Committee on Science and Technology. This omnibus bill is intended to pull together each of the several pieces of energy legislation. Its passage would serve to fill the gaps caused by the absence of a comprehensive energy conservation policy in existing law.

Current national efforts to stimulate energy conservation are inadequate. This is a consequence of a lack of adequate and available financing for energy conservation, particularly with respect to individual consumers and small businessmen. It is a consequence of a shortage of reliable and impartial information and advisory services pertaining to the energy and cost savings to be derived from the implementation of energy conservation measures. It is also due to the absence of organized programs to facilitate the implementation of energy conservation measures, including a lack of rigorous programs to research and demonstrate new energy saving technologies.

The Omnibus Energy Conservation Act is designed to redress these problems. Basically, the bill contains four new Federal programs, designed to complement each other and existing Federal and State energy conservation programs.

The relationship of these proposals to existing law has been carefully considered. These new programs would amend the principal existing statutory authorities, the Federal Nonnuclear Energy Research and Development Act of 1974 and the Energy Policy and Conservation Act of 1975.

These new programs include Federal financing for energy conservation expenditures in residential housing, commercial, and public buildings and industrial plants, through a program of grants, loans, and loan guarantees to be administered by the States and by Federal agencies.

The FEA would be the principal administrator of the funds, although the SBA and HUD would play roles. Under this section there would also be a voluntary standards program for certifying the energy efficiency of construction materials. Other new programs proposed are a federally sponsored Energy Extension Service to be administered by the States as part of an energy outreach program; a federally sponsored State energy conservation research development institute to provide a focus for analysis and research in energy conservation at the local level; and an energy conservation research, development, and demonstration project to generate new energy efficient technologies.

The center piece of this legislation is a $4.5 billion program of loan guarantees for improving the energy efficiency of existing housing, nonresidential buildings, and industrial plants. Within the program's purview would be the energy required for commercial and industrial processes carried out within such buildings. Thus, the bill would apply to the points of consumption of two-thirds of the energy used in the United States each year.

Mr. Speaker, it is a clear sign of the overriding importance of this issue that this bill bears the name of the distinguished majority leader, Mr. O'NEILL. It is also noteworthy that he has been joined by many of this House's prime movers in the field of energy legislation, including Messrs. STAGGERS, TEAGUE, REUSS, DINGELL, BROWN of California, DRINAN, THORNTON, MCCORMACK, and MOORHEAD of Pennsylvania. I commend them for their past and present efforts to place energy conservation at the center of energy policymaking, and I commend to the attention of my colleagues the bill before us.

I am including a brief summary of the bill's provisions, as follows:

SUMMARY OF BILL'S PROVISIONS

TITLE 1

Title I establishes several separate programs designed to promote energy efficiency in residential and commercial buildings.

These programs would be primarily under the jurisdiction of the Federal Energy Administration, but would also involve the Small Business Administration and the Department of Housing and Urban Development.

Section 102(a)—Voluntary Standards and Certification Program for Products Designed to Conserve Energy in Buildings:

This section amends the Energy Policy and Conservation Act by adding a new section creating within the Federal Energy Administration a voluntary standards and certification program for products designed to conserve energy in residential or commercial buildings. In cooperation with the Administrator of ERDA, the Administrator of the FEA is directed to prescribe for such products: test procedures, labeling procedures, energy efficiency standards or performance standards other than energy efficiency. The section further provides for the creation of procedures by which the Administrator shall certify a product's compliance with the standards established. Falsely representing a product as being certified is prohibited.

Section 102(b)—Conservation Assistance:

This section further amends the Energy Policy and Conservation Act by requiring the Administrator to establish guidelines for State energy conservation implementation programs. It stipulates that such guidelines be designed to allow States maximum flexibility and discretion in preparing such programs, and requires that States be given an opportunity to participate in the drafting of such guidelines.

Eligibility requirements for Federal financial assistance to State Energy Conservation Implementation programs are specified. Included here is the requirement that State plans include a system for the making of 'energy audits' with respect to housing, nonresidential buildings, and industrial plants within the state. Such audits are further required to identify the energy and cost savings likely to be realized through energy conservation measures. Eligible state programs are further required to provide for monitoring of loans made by lending institutions for the purpose of energy conservation measures taken pursuant to the state program. States must also encourage and facilitate establishment and operation of energy conservation cooperatives.

Federal assistance grants to states whose energy conservation proposals meet specified Federal criteria are authorized. The amount of assistance going to a given state in a given year is limited to 10% of the total funds authorized for the grant assistance program during that year. The total of such grants to states shall not exceed $25 million in FY 1977, and $50 million in FY 1978–FY 1980. The Administrator is authorized to provide loan guarantees to lenders issuing loans to borrowers seeking to finance qualified energy conservation measures. The maximum permissible guarantee is $2,000,000. The bill stipulates that the total of guarantee obligations under this program shall not exceed $4.5 million at any one time.

Section 103—Energy Conservation Assistance for Low Income Persons:

This section amends Title I of the Energy Conservation and Insulation of Buildings Act of 1976 by adding at the end authorizations of $25 million for FY 1977, $50 million for FY 1978, $50 million for FY 1979, and $100 million for FY 1980.

Section 104—Energy Conservation Assistance for Homeowners:

This section amends Section 2(a) of the National Housing Act by providing that the Secretary of HUD shall pay to any lending institution a portion (not to exceed the lesser of 20% or $400) of the principal on any loan made pursuant to an approved energy conservation measure. Higher limits are set for loans on 'renewable-resource energy measures.' The section authorizes up to: $100 million in FY 1977, $200 million in 1978, $200 million in 1979, and $200 million in 1980 for the purpose of carrying out the provisions of the section.

Section 105—Energy Conservation Assistance for Small Businesses:

This section amends Section 7 of the Small Business Act by adding language empowering the SBA Administrator to make loans (in cooperation with lending institutions) to assist small businesses in implementing approved energy conservation measures. The section sets a limit of the lesser of $5,000 or 20% of the principal on the amount which may be paid by the Administrator to the lender.

Section 106:

This section stipulates that the Energy Resources Council shall be responsible for coordinating Federal energy conservation programs. It further stipulates that upon termination of the Energy Resources Council there shall be created an Interagency Advisory Group to carry out the above coordination responsibilities.

TITLE 2

Title II establishes three spearate, but closely related new programs under the Energy Research and Development Administration.

Part A—Energy Conservation Extension Service:

This part sets forth findings stating a need for greater knowledge on the part of the public regarding energy conservation and new energy technologies. It provides that ERDA should coordinate these efforts at the Federal level.

The legislation established a new ERDA office for an Energy Extension Service and creates positions of Director and Deputy Director. It amends the Energy Reorganization Act to specifically add this function to the ERDA charter. This part does not authorize a large staff within ERDA, but rather directs ERDA to use State and other existing extension and outreach capabilities to implement the prorgam. The ERDA office will provide national direction, and review state plans in administering the extension program.

This part adopts a new scheme for the energy extension concept which places primary planning and implementation responsibility on each state. If the state submits an acceptable plan for implementing the legislation, pursuant to a series of specified guidelines and requirements in this part, the state qualifies for funding from ERDA. If it does not submit an acceptable plan, ERDA will act directly, consistent with the same guidelines and requirements, to plan and implement the concept in the state.

Funds will be allocated among the states according to a formula with 50% pro rata per state and 50% on the basis of population.

A National Energy Extension Advisory Board is established to provide for comprehensive review of the service and a mechanism which will provide for coordination of the service with other Federal programs. Also, mechanisms are established to coordinate the activities within each state.

Funding for the Service will be subject to authorization each year as a part of the nonnuclear portion of the annual ERDA authorization bill.

Part B—State Energy Conservation Research and Development Institutes:

This part sets forth findings which recognize the potential role that institutions of higher learning can play in encouraging energy conservation. It calls for the establishment of interdisciplinary energy conservation research, development and demonstration institutes.

The legislation authorizes a Governor of a State to name one college or university to be designated the State Energy Conservation Research and Development Institute. The Administrator of ERDA shall provide funds to this Institute pursuant to further authorizations in the ERDA authorization, or such funds as may be authorized by the Administrator for specific research, development and demonstration projects dealing with energy conservation.

The Institutes shall have a variety of duties and functions, including: research, development, evaluations, demonstrations, seminars, information dissemination, technical education programs, public school curriculums development, adult education courses, workshops, and other educational activities directed toward the efficient use of energy.

Part C—Energy Efficiency Research, Development and Demonstration Program:

This part sets forth findings which point to the role of energy conservation and energy efficiency research, development and demonstration programs in helping meet our energy needs.

The legislation creates an Energy Conservation Research, Development and Demonstration Project within ERDA. This project is charged with promoting basic research on low energy alternatives to residential, commercial, industrial, agricultural, and governmental activities. The Administrator of ERDA is given the authority to enter into contracts to demonstrate residential conservation techniques in a significant number of dwellings in a wide range of geographical regions. The Administrator is directed to make arrangements for the provision of loans at prevailing rates for the installation (including retrofitting) of model energy efficient systems in commercial, industrial, and agricultural processes, and in systems for the provision of governmental service. This part also provides for the evaluation of the success and wider application of the projects undertaken by this energy efficiency research, development and demonstration program.

Funding for this part shall be included in the annual authorization of the Energy Research and Development Administration.

Mr. DRINAN. I thank the gentleman for his remarks, and also for the wisdom that he has demonstrated in seeing the tremendous impact that H.R. 14205 would have on our national energy situation in due course.

Mr. Speaker, I now yield to the distinguished gentleman from the State of Washington (Mr. McCORMACK). May I say that I came to Congress with this gentleman, and I and everyone in this House are proud of what he has done in the area of energy and all of its facets. He is one of the very few physical scientists in the House, and he has taught us a great deal.

The leadership and the initiative that he has taken in this area have made a significant impact on the many bills that have passed under his sponsorship. I am very pleased to be a cosponsor of H.R. 14205 in the company of the gentleman from Washington (Mr. McCORMACK).

Mr. McCORMACK. I thank the gentleman for yielding. I want to congratulate him for all of his efforts in this matter and for his continuing interest in energy conservation.

Mr. Speaker, there are several comments I would like to make. First, I would like to pay my respects to the gentleman from Texas (Mr. TEAGUE), who is Chairman of the Committee on Science and Technology under whom all of this legislation has come forth in recent years dealing with energy conservation in which we have accomplished so much. Unfortunately, the gentleman from Texas (Mr. TEAGUE) cannot be here at this time, but I think we all want to pay our respects to our colleague who has provided the committee leadership on so much of this.

Mr. Speaker, today or in recent history the energy growth rate in this country has been about 3.5 percent per year. If we can cut this down, we can phase down to about 2 percent per year, because late in the century we can reduce our energy consumption from what it would be at 82 million barrels of oil per day to somewhere around 68 million barrels a day. This would be a reduction of about 17 percent or about 14 million barrels a day in energy conservation. This would be saving this country not only $60 billion a year, but it would be a tremendous reduction in the concentration of carbon dioxide in the atmosphere, which is one of the most serious problems we have associated with the burning of fossil fuels, because we simply do not know how much environmental damage we are doing. We may not know until it is too late, until such time as we will have established a greenhouse with the melting of the polar icecaps.

It is critically important that we do reduce, consistent with maintaining a stable economy, our consumption of fossil fuels as quickly as possible in cutting from 3½ to 2 percent in an orderly and realistic manner, and really make a significant concentration not only on this but, as I say, on not using as much energy, and also saving about $60 billion a year which is the equivalent of about $12 a barrel for oil.

Mr. Speaker, I have been involved in a great deal of legislation dealing with energy conservation. I think it is appropriate that we take a look at this time and see where we have been in the context of where we are going, in context with this new legislation.

The Committee on Science and Technology has, of course, been responsible for the budget for the Energy Research and Development Administration. Starting several years ago with almost nothing in the field of energy conservation, we have taken the budget for energy conservation to over $100 million today and authorized $202 million for fiscal year 1977.

Unfortunately, much of this money has to be appropriated by the Appropriations Committees, and this week when the Interior appropriations bill, H.R. 14231, comes before this House, I will propose an amendment to it to increase the actual funding, the actual appropriations for energy conservation, by a total of $67½ million to bring this program up to the level that was authorized by my subcommittee and by the full Committee on Science and Technology.

Mr. DRINAN. May I say at this moment that I will enthusiastically sponsor the amendment which the gentleman will make to the appropriations bill. One of the reasons why we had this particular special order on this day was to support the gentleman's amendment which will be acted upon later in the week. We expect that Members of the House will see the very informative material that some 30 or 35 Members will have in the RECORD today with respect to the precise question of the urgent necessity of emphasizing energy conservation.

I thank the gentleman.

Mr. McCORMACK. Mr. Speaker, I think there is something terribly important to understand about energy conservation, and that is it is not a technology as much as it is a need to organize the people of this country to understand what they need to do to contribute to energy conservation.

We have had many bills which have become law or are in the process of becoming law. We have the Electric Vehicle Act (H.R. 8800), which passed a short time ago, and we have the Automotive Research and Development Act (H.R. 13655), which passed some time ago, and those are in conference. Either of those bills can save us the equivalent of a half-

million barrels of oil a day by 1980. We have the Energy Conservation Extension Service Act (H.R. 13676), which has been reported out by the Science and Technology Committee and we will have it on the House floor in a few days. We have provided for solar and geothermal energy research and we will have also tax incentive for insulating homes, for instance. It has passed this House and is now being seriously considered in the Senate.

Under the ERDA authorization bill for this year we are providing for municipal waste conversion, providing for price supports. For instance, the city of Seattle plans to convert solid waste to ammonia.

We have loan guarantees for urban waste recovery and energy conservation research questions and these are part of the energy loan program. With the gentleman from Georgia, Mr. Bo GINN, we will sponsor a bill to conduct research on buildings.

All of these bills go together to form a matrix which will lead to energy conservation. Part of this effort will be the amendment on the bill, H.R. 14231, which will be on the floor later this week. I hope everyone who hears this special order today or who reads it in the RECORD will help the people of this country to understand what the people of this country must do in reducing energy use in homes and by becoming more energy efficient in their use of energy in private vehicles, and so forth. This is where most of the energy in this country is used. If we can help the people of this country to understand what they must do, then we can move on to energy conservation.

Mr. DRINAN. I thank the gentleman for his comments.

Mr. Speaker, let me make a few final points; namely, concerning the potential for energy conservation in the residential and commercial sectors, transportation, and through resource recovery from municipal waste.

LOW-BUDGET TECHNOLOGIES

Even though the residential and commercial sectors are responsible for less than a fourth of our national energy consumption, it is an area where there is an enormous potential for energy savings at a low capital cost. In fact, sectorwide energy efficiency could be increased by as much as 30 to 35 percent in the short run, with a minimal investment, almost immediate payback, and no compromise of either comfort or normal commercial or domestic activity.

Particularly in the commercial sector, the American era of cheap energy supplies resulted in the construction of buildings with oversized heating and cooling capacities, inefficient temperature regulation, and which squander energy either on unused space or at inappropriate times of day. It is not unusual, for instance, to find large commercial buildings where warm office air is chilled to a very low temperature, and actually reheated to a more comfortable level—a process that needlessly multiplies energy use with no technical justification. This kind of energy waste may have been acceptable 5 or 10 years ago, but in light of our present situation it should not be tolerated.

It has been estimated that a 14-percent energy reduction could be attained almost immediately in commercial buildings, 30 percent added efficiency is possible through modification of existing structures and 50- to 80-percent improvements in energy efficiency possible in new ones. These approximations have been reinforced by actual conservation projects in the United States, including a recent program at Ohio State University which resulted in 36- and 61-percent consumption decreases for electricity and natural gas use respectively. The university's retrofit program—simply an assessment and restructuring of an existing physical plant—paid for itself in less than 8 months, and is typical of the type of careful, deliberate energy conservation strategies that must be encouraged in the commercial sector as a whole.

Mr. Speaker, the residential sector poses many similar energy-efficiency problems, but on a smaller scale and at a less complicated level. The Bureau of Standards estimates that 40 percent of the energy used to heat our homes is wasted, and at the same time it is estimated that fully 40 million American homes are improperly insulated. Despite the fact that ceiling insulation in a typical home costs only about $300 installed, and will pay for itself in a matter of 2 or 3 years at current fuel costs, only 7 percent of the American public believes that weatherstripping and insulation actually save energy. These attitudes must be systematically overcome if we are to reduce our fuel consumption in the residential sector.

The Energy Conservation Implementation Act, H.R. 12541, which I introduced in March of this year, would do a great deal to improve the energy-efficiency of the residential/commercial sector, and includes the establishment of an Energy Conservation Extension Service to "get the word out" and provide technical assistance to homeowners and businesses interested in conserving energy. Additionally, a program of interest subsidies for approved energy conservation investments would accelerate the implementation of many proven conservation techniques, and thus create a more immediate impact on reducing our national energy demand.

H.R. 14205 incorporates many similar provisions, including an extension service, loan subsidies for homeowners and small businesses, and ongoing research into more energy-efficient conservation technologies. Such an approach will result in greatly increased energy savings in the short run, centers on voluntary conservation and the economic viability of given approaches, and is deserving of enthusiastic congressional support.

A MATTER OF PLANNING

Mr. Speaker, although H.R. 14205 does not address itself to the transportation sector to the extent of previous conservation legislation considered by Congress, our consumption patterns in this area are particularly disturbing, and a few comments on the subject are in order. Fully 21 percent of our national energy budget in 1970 was devoted to automobiles, and by 1974 more than 2.2 billion barrels of crude oil equivalent were devoted to gasoline consumption alone. This figure, incidentally, is virtually equal to our current level of petroleum imports, and constitutes almost 40 percent of the oil-based energy consumption in the United States. Clearly, when we talk of saving energy in transportation and decreasing our dependence on foreign oil, we are talking about either increasing the efficiency or decreasing our dependence on the automobile.

The Energy Policy and Conservation Act of 1975—enacted by Congress last fall—served as a critical first step in this process by mandating a 58-percent increase in the overall fuel economy of American-produced cars. Unfortunately, this legislation only scratched the surface of the conservation issue in this sector, as evidenced by the fact that transportation in European countries requires as much as 53 percent less energy per passenger-mile than does the United States.

Despite the fact that commuter mass transit is between 2 and 3 times as energy-efficient as the automobile, currently only 14 percent of all American commuters rely on public transportation to get to work. Also, fully 68 percent of all auto commuters ride alone, even though doubling up with a neighbor would save each carpooler approximately $600 per year. With our energy situation 10 years from now a matter of serious doubt, it is indeed a wonder that we still tolerate insufficient or nonexistent mass transit is between 2 and 3 times as energy-efficient automobiles on our highways.

The Omnibus Energy Conservation Act—by establishing minimum standards and operational funding for State energy conservation programs—opens the door for development of alternative public policy approaches to encourage both carpooling and greater mass transit utilization. At the same time, the Federal Government must assume a more active role both in upgrading and expanding our urban systems, and funding research and development of electric cars and other economically viable alternative to the gasoline powered automobile.

Though it does not touch directly on the provisions of H.R. 14205 or my own energy legislation, I would also like to briefly acknowledge the needless misuse of energy in the freight transportation industry. In spite of the fact that rail freight is more than four times as trucking, more than half of the energy consumed within the industry is for trucks, which haul less than 20 percent of all American freight. Beyond question, the Federal Government must meet its obligation to improve the reliability of rail freight service, and to restore the industry to a more appropriately competitive economic position.

AN UNREALIZED POTENTIAL

Mr. Speaker, I would like to touch briefly on the subject of energy recovery

from municipal waste; a form of conservation which has been granted less attention than it deserves at the Federal level. Our hundreds of million tons of collected solid waste—currently disposed of by cities and towns at a cost of several billion dollars per year—can actually be used to generate electricity, marketable fuels, and industrial process heat. By 1985, solid waste energy could provide for about 2 or 3 percent of our projected national energy requirements, or replace an amount of energy equivalent to about 400 million barrels of crude oil per year. Despite these considerable savings, and the successful demonstration of several of these advanced technologies, implementation of resource recovery in the United States has been painfully slow.

In response to this situation, I introduced the Solid Waste Energy and Resource Recovery Act almost 11 months ago. The bill, H.R. 12380, would establish a program of research, development and demonstration at the Federal level, as well as providing technical assistance and limited financial support to cities and towns interested in resource recovery. The expressions of support which this legislation has received since last July have been both impressive and encouraging.

A total of 95 Members of Congress have cosponsored H.R. 12380 to date, and the bill has also received the endorsement of the Sierra Club, Environmental Action, the American Iron and Steel Institute, and the National Association of Counties. The R.D. & D. provisions of the bill will be incorporated in the Commerce Committee's comprehensive solid waste bill, while the Subcommittee on Energy and the Environment has conducted hearings and will begin markup of this legislation within the next several weeks. I am optimistic that comprehensive solid waste legislation—including meaningful provisions to hasten the development and implementation of resource recovery—will be considered and enacted by Congress well before the end of this legislative session.

Though solid waste energy recovery is not directly affected by the provisions of the Omnibus Energy Conservation Act, it is important that we recognize and acknowledge the significant role which resource recovery must play in a comprehensive scheme of energy conservation in the United States. Municipal solid waste may be a valuable source of energy in the years ahead, and it is a resource which we simply cannot afford to ignore.

CONSERVATION: THE BEST OF MANY ALTERNATIVES

Mr. Speaker, despite the great potential for conservation which I have attempted to outline in my foregoing remarks, it is an area which has been granted increasing, but insufficient emphasis at the Federal level. The amount of Federal research and development moneys devoted to conservation versus new energy are contrasted in table II:

U.S. RESEARCH AND DEVELOPMENT COMMITMENTS:[1] CONSERVATION VERSUS NEW ENERGY

[Dollar amounts in millions; fiscal years]

	1975	Percent	1976	Percent	1977	Percent
R. & D.:						
Conservation	$22.3	2	$62.0	3.7	$92.9	4.1
New Energy	1,113.6	98	1,612.8	96.3	2,189.0	95.9

[1] Source: ERDA's Revised National Plan for Energy Research Development and Demonstration, April 1976.

In evaluating the appropriateness of our current budgetary commitments to energy conservation, it is imperative that we clearly understand the seriousness of our national energy situation, and the growing disparity between energy supply and demand in the United States. There is a limit to the amount of time that we can expect to purchase unlimited energy when we need it, and remain oblivious to the foreseeable consequences of "business as usual." One thing which we will learn as a nation in the next 10 years, Mr. Speaker, is that when it comes to energy, there is no such thing as a free lunch.

The lessons of the 1973 Arab oil embargo—however obvious—were never adequately learned. It is a fact of life that American energy consumption habits have returned to their wasteful and gluttonous best. Currently, our national energy demand is growing at a rate of about 2.8 percent; a level which will require literally 32 percent more energy in the next 10 years, and which will actually double our energy consumption by the year 2000. As much as we might like to divert our limited capital resources into development of conventional fuel sources, the production costs escalate by the hour, and the amounts of energy which we require are simply not there. It is about time that we, as a nation, put the brakes on our energy growth and started to make the cold and hard decisions necessary to assure both adequate energy sources and efficient energy use for the decades to come.

When we talk of conserving energy to set the stage for rational public policy decisions on energy use, we are not just talking about lowering thermostats and turning off extra lights, but about considerable capital investment and advanced technology. Our bygone era of cheap energy has brought us to the point where investment in conservation is often more economical than investment in new energy supplies, and where a concerted conservation effort might forestall significant growth in demand for as many as 10 years. As soon as we can bring ourselves to acknowledge the seriousness of our situation, we can begin to take the reasoned, but assertive steps necessary to achieve planned energy use in the United States.

As much as I appreciate the efforts which have already been undertaken in Congress—both to implement conservation practices and develop existing and alternative energy sources—we are still faced with an awesome responsibility. One of the first priorities on our legislative agenda should be a commitment to carefully assess and radically improve the overall efficiency of our national energy use. Enactment of a comprehensive energy use. Enactment of a comprehensive energy conservation bill during this session will mark a critical step in enabling us to chart the long-term energy needs of our Nation—a process which promises to be both a difficult and exciting one, and a responsibility which we must accept.

It would be dishonest to imply that a concerted energy conservation effort is any kind of comprehensive solution to our national energy problems, but it is clearly a realistic means of giving us the time necessary to anticipate and plan for our long-term energy future. It is my firm belief both that overall energy R. D. & D. must reflect a more significant emphasis on conservation technology, and that existing approaches to promote energy savings be implemented as rapidly as possible. In these respects, the Omnibus Energy Conservation Act is truly a responsive and greatly-needed element of our emerging national energy policy, and deserve favorable and immediate consideration by the 94th Congress.

GENERAL LEAVE

Mr. DRINAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous material on the subject matter of my special order today.

The SPEAKER pro tempore (Mr. HALL). Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. DRINAN. Mr. Speaker, I will now yield the balance of my time to other interested Members of Congress for additional discussion on this vital national issue.

Mr. RICHMOND. Mr. Speaker, energy conservation is often disregarded by policymakers in calculating how to solve our Nation's energy crisis. Yet, conservation can make an enormous contribution in this area, and provide additional jobs as well. It is regrettable that a technology so beneficial is not more emphasized. The Energy Research and Development Administration's "National Plan for Energy Research, Development and Demonstration: Creating Energy Choices for the Future 1976," is a sign of the growing realization that conservation can provide immediate gains.

Recently, Mr. Skip Laitner of Public Citizen, presented a paper, entitled "The Impact of Solar and Conservation Technologies Upon Labor Demand," before the Conference on Energy Efficiency. In that paper he presented a revealing example of energy conservation and employment, and I would like to include an excerpt from his statement:

AIR CONDITIONERS: A SPECIFIC EXAMPLE

Improved efficiencies in air conditioners provide a useful example of how conservation can increase employment. Bruce Hannon, director of the Center for Advanced Computational Studies, Urbana, Illinois, has provided data which compare the total energy and labor intensities of 20 personal consumption

expenditures (PCE) for 1971. Selected items are listed in the table below:

TABLE 1—COMPARISON OF ENERGY/JOB INTENSITIES FOR PERSONAL CONSUMPTION EXPENDITURES PER CONSUMER DOLLAR SPENT

Activity	Energy Intensity Btu/$	Labor Intensity Jobs/$100,000
Electricity	502,500	4.4
Gasoline and oil	480,700	7.3
Cleaning preparation	78,100	7.3
Average for all personal consumption	70,000	8.0
Kitchen and household appliances	58,700	5.5
Food purchases	41,100	8.5
Furniture	36,700	9.2
Women and children's clothing	33,100	10.0
Religious and welfare activity	27,800	8.6
Telephone and telegraph	19,000	5.9
Physicians	10,700	3.3

The purchase of electricity, as can be seen from looking at Table 1, has a low labor but high energy intensity. Manufacturing is toward the middle while services (e.g., education and medical care) has a low energy but high labor intensity. If, for example, money originally spent on energy to operate an air conditioner were instead invested in better materials and labor (i.e., a more efficient air conditioner) total electrical demand would be decreased while increasing total labor demand as measured per dollar spent by the consumer.

Air conditioners vary widely in their efficient use of energy. The measure of efficiency, called the "energy efficiency ratio" or EER, is obtained by dividing the electric power requirement in watts into the Btu cooling capacity; the resulting number is usually in the range of 5 to 12 Btu/watt-hour. Systems with higher EER's are more efficient since they require less energy to perform the same work. Below is a second table listing two air conditioners with the same cooling capacity but different EER's.

TABLE 2—AIR CONDITIONER EFFICIENCY COMPARISON

	High Efficiency Model	Low Efficiency Model
Btu	14,000	14,000
Energy Requirement (watts)	1,380	2,760
Energy Efficiency Ratio (EER)	10	5
Initial price	$400	$250
Cost of one summer operation at 4¢ per Kwh	$55.20	$110.40

NOTE: It is assumed that each air conditioner will operate for about 1,000 hours creating a power demand for the summer of 1,380 and 2,760 kilowatt-hours (Kwh), respectively.

SOURCE: Association of Home Appliance Manufacturers Directory, Chicago, Illinois, April 1975.

Based on the costs listed in Table 2 and referring to Table 1 as a guide to labor intensities, we can determine what the relative labor demand would be if 1,000 units of both the high efficiency model and the low efficiency model were purchased.

TABLE 3.—COMPARISON OF LABOR INTENSITIES FOR AIR CONDITIONERS FOR ONE YEAR OF OPERATION

1,000 HIGH-EFFICIENCY UNITS

Appliance purchase: $400,000×5.5 jobs/22 jobs=$100,000.

Electrical purchase: $55,200×4.4 jobs/2.4=$100,000.

Total, 24.4 jobs.

1,000 LOW-EFFICIENCY UNITS

$280,000×5.5/15.4=$100,000.

$110,000×4.4/4.9=$100,000.

Total, 20.3 jobs.

NOTE.—For appliances, based on Table 1, the job intensity is 5.5 persons for each $100,000 spent; for electrical purchases the figure is 4.4 persons. The above calculations yield the resulting job totals for each 1,000 units purchased.

At the end of one cooling year the 1,000 high-efficiency models would create 24.4 jobs but only 20.3 jobs for the low-efficiency models. But starting with the second year, money is spent only for electricity—the higher rate of energy consumption for the inefficient air conditioner means a slightly higher job intensity by the end of the third year. This is because the owner of the high-efficiency model is using money saved from reduced electric bills in the first three years to pay off the higher initial cost of the unit and makes no other purchases that might pay for jobs. In the fourth year, the savings accrued from the efficient model is likely to be reinvested into other consumer activities such as purchase of clothes, food and furniture. These activities are more labor intensive (less energy intensive) than electricity so that the 1,000 owners of the high-efficient units will be again creating a higher demand for labor as well as saving a large amount of energy (see table 4).

TABLE 4—COMPARISON OF LABOR DEMANDS CREATED BY 5-YEAR OPERATION OF AIR CONDITIONERS

	1,000 high-efficiency units	1,000 low-efficiency units
1st year (from table 3) (jobs)	24.4	20.3
2d year electricity purchase	2.4	4.9
Subtotal	26.8	25.2
3d year electricity	2.4	4.9
Subtotal	29.2	30.1
4th year electricity	2.4	4.9
Other PCE*	4.4	0.0
Subtotal	36.0	34.6
5th year electricity	2.4	4.9
Other PCE	4.4	0.0
Total for 5 years (jobs)	42.8	39.5

*From table 1 we see that the average labor intensities for all Personal Consumption Expenditures (PCE) is 8 jobs per $100,000. With the $55,200 saved by the owners of the high-efficiency units, total jobs demand=$55,200 $\times 8 \div 10^5$ or 4.42 jobs.

At the end of a five-year period then, the more efficient air conditioners would have paid for 3.3 more jobs than the more wasteful units. This analysis provides a clearer understanding of how conservation strategies can be more job intensive.

The example clearly shows the employment benefits of the high efficiency units which would also have saved 6,900,000 kilowatt-hours of electricity. Those 6,900,000 kilowatt-hours would have otherwise had to have been generated by 1,724 tons of oil, and would have cost consumers $276,000.

More conservation can mean more jobs, increased energy availability, and consumer savings. It does not connotate a reduction in our standard of living. What it means, however, is that our Nation will lessen its dependence on the whims of other countries, thereby enabling each American to determine his or her own lifestyle. I will continue to support efforts to fund research, and more importantly, demonstrations and incentives for this vital technology.

Mr. MAZZOLI. Mr. Speaker, since queues of automobiles at our Nation's gasoline pumps have vanished, Americans have tended to look on the shortage of energy in 1974 as a bad dream, not to become a recurrent nightmare. One need only travel on any interstate highway to see the majority of cars whizzing by in excess of 55 miles per hour. Experts, however, remind us that the worst is yet to come if we do not conserve the precious energy we have and explore new sources to tap.

Considering the outcry against gasoline rationing in 1974, the most plausible way to encourage conservation presently would be not to restrict the profligate but to reward the conscientious consumer.

The Energy Conservation and Conversion Act (H.R. 6860) and the Tax Reform Act (H.R. 10612) recognize that the carrot rather than the stick may be the immediate answer to the short-term energy problem.

Last June the House passed H.R. 6860. The Tax Reform Act, that incorporates portions of H.R. 6860, is now on the Senate floor. Both would allow an income tax credit for expenditures, such as insulation, to conserve energy in homes and businesses.

The Federal Energy Administration estimates that about a half million barrels of oil per day could be saved if only a fraction of the Nation's single family dwellings contained insulation and storm windows. About 3.4 million barrels of oil per day are now used by America's 57 million housing units for heating and cooling. Therefore, oil consumption could be reduced by almost 15 percent.

Critics may call these measures "stopgap"—that we really need a viable alternative to petroleum to meet our future energy needs. Indeed, legislation has been introduced that is more concerned with research and development than with conservation.

For example, H.R. 1109 authorizes research and development by the Energy Research and Development Administration of an alternative propulsion system. H.R. 1283 encourages discovery of alternative fuels. Similarly, H.R. 12112 guarantees loans to inventors of synthetic fuels.

But, in the meantime, if and before we find a substitute for petroleum, Americans, encouraged by favorable legislation, should master the judicious husbanding of energy now in use.

There is not a simple answer to the

complex energy question. By keeping energy conservation policies in mind in legislation not directly related to energy, such as taxation, Congress is rendering this country a great service.

As long as Congress, in its legislation, fosters a "waste not, want not" policy, the Nation should follow suit.

Mr. McCLORY. Mr. Speaker, since the fall and winter of 1973, when long lines at service stations introduced a new concept to American life, we have heard continual discussion of the need to achieve energy independence. For the first extended period in our history, we find ourselves operating in a situation of scarcity, rather than abundance. Both the idea and the reality are still new to us.

Without straining the Bicentennial analogy too much, one might say we are in a revolutionary situation. And how have we responded? As the Members of the House are well aware, we are now importing a higher percentage of our petroleum needs than we were at the time of the Arab embargo. This is plainly a crooked path to energy independence, and one that has been sadly obstructed by a variety of political pitfalls.

But without getting into the troublesome debate as to whether we should regulate more or less, we should all agree on the need to mobilize public participation in conserving energy. Studies from a variety of sources have indicated that conservation can significantly reduce our energy requirements, and thus our reliance on foreign suppliers. In other words, conservation is a tangible, noncontroversial, and vital step we can take toward energy independence. It is abundantly clear to all of us that we can no longer afford to waste energy in the profligate style of the past.

The public, perhaps made skeptical by the brief duration of the first "energy crisis," has not yet accepted the need for widespread conservation. It is up to us, as elected officials, to lead public opinion in this regard, both by raising our voices in forums such as this and in our own congressional districts, and by creative application of the legislative process to this critical issue. By enacting meaningful incentives to conservation, we can encourage the American people to save their gasoline, electricity, and other precious energy sources.

Mr. Speaker, the task that faces us will be difficult. Industrialization in the developing world adds another new dimension to the situation. In a time when energy is scarce, competition for energy is intensifying to an unprecedented level. The objectives we seek are as critical as those of 1776, and our success must equal that of the Founding Fathers. For energy is perhaps the most important issue facing us today, the single commodity that can determine our continued leadership in the world, and guarantee the political and economic independence of the Nation founded in the midst of a different sort of revolution 200 years ago.

Ms. ABZUG. Mr. Speaker, I welcome this opportunity to express my support for the Omnibus Energy Conservation Act (H.R. 14205).

In the past few years, there has been a growing appreciation in Congress of the vital role of conservation in achieving a sensible national energy policy. But our actions have lagged behind our understanding. The conservation measures that we have enacted have been helpful, but they have failed to impress upon the country the opportunities presented by a major commitment to conservation. I am hopeful that the growing interest and support for this measure will contribute to this needed national awareness.

It is estimated that our current transportation, heating and cooling, and industrial processes waste up to half of our energy resources. Thus, even the slightest increment in efficency can make a major difference to our energy needs. Better automobile mileage and more efficient heating systems can substantially reduce our reliance on imported oil and gas.

Conservation is even more crucial in electric power. Virtually unnoticed in all the talk of the need for more generating capacity is the fact that it is generally only the peak load which require's expansion. During most hours of the day and during much of every year, our electric generating facilities have sufficient capacity. If the peak demand can be reduced, the need for new powerplants can largely be avoided. This can be done in several ways.

First, for several years Congress has had before it, and should be taking action upon, a proposal for a national power grid. The grid could provide substantial economies by taking advantage of the disparities in demand for power by different regions, different climates, and different time zones.

Second, numerous States, including my own, are considering new rate systems that encourage shifting use of major electric appliances during nonpeak hours. This would smooth out demand and reduce the need for new facilities.

In addition to these approaches are the methods embodied in H.R. 14205. They include innovative mechanisms to provide loans for conservation retrofitting of existing and new residential and commercial buildings, means to encourage statewide energy plans, provisions for energy efficiency standards for new construction and equipment, and a series of research institutes and demonstrator projects. Passage of this measure would enable us to use our resources rationally, while requiring no decline in our standard of living.

I am encouraged that we are now considering a comprehensive measure that would begin to extend to local governments and individuals for conservation programs some of the incentives and resources that have in the past gone mostly to the oil and nuclear industry. Simultaneously we are increasing the commitment of ERDA to research in new energy sources—not as much as I would like, but still better than in previous years.

With this kind of reorientation of our priorities, we can begin to reduce our reliance on oil, coal, and, especially, on nuclear power. In New York, we currently have five atomic power plants. Unless we can prove that our future energy needs will decline, or that we have the prospect of other means of generating electricity, we will find ourselves with nine additional nuclear plants in the coming years. Nationally, 180 new plants are planned or under construction. By the year 2000, we may be saddled with 450–800 atomic plants. Yet the controversies continue over many unresolved problems, including the overall safety hazards of atomic plants, and the lack of solutions for long-term storage of nuclear wastes. As long as these questions are not resolved, and the utilities and atomic power industry continue to win the public relations battle, conservation will be a crucial determinant in the energy future of our country.

Many questions are involved in the debate over atomic power. One of the crucial issues is jobs. People are only now beginning to realize that atomic power is highly capital intensive, providing fewer jobs than virtually any other energy source.

In this regard, I would like to call to the attention of my colleagues the analysis of the implications of conservation prepared last month by the New York State Legislative Commission on Energy Systems. The committee calculates that an investment of $315 is needed for individual housing units in the heating, ventilating and airconditioning systems to save 1 kilowatt of load—an average of 14.4 kilowatt hours per day. This outlay would pay itself back in about 1 year, given the electricity costs of 6 cents per kilowatt hour that prevail in some areas of New York State. On a 30-year cycle, spending $300/kilowatt in conservation outlays would generate 12,000 worker years of employment. This is only slightly less than the employment generated by the 1,000-megawatt nuclear plant that would be required to provide this amount of energy. Moreover, if the initial capital costs for a nuclear plant are considered, their $1,000 per kilowatt cost is three times the investment in conservation techniques. So the same employment benefit would result, with the added bonus of tremendous savings in energy expenditures. The amount needed for major alterations to existing buildings and industrial facilities is estimated at $900 per kilowatt. This level of expenditure would result in 40,000 worker-years of jobs, almost three times that produced by a 1,000-megawatt nuclear plant. As the investment per conserved kilowatt increases, so does employment. Conservation of energy increases employment, it does not reduce it.

The Omnibus Energy Conservation Act provides an important national commitment to conservation. It properly recognizes that conservation is not a matter for individual decision. Ultimately, energy is saved in business, in industry, and by individuals—but it will happen on a large scale only as a result of national policies. With the passage of this bill, we will, at long last give conservation the attention it deserves.

Mr. McCORMACK. Mr. Speaker, in the aftermath of the Arab embargo with the

attendant OPEC cartel actions and the curtailment of natural gas supplies in recent years, the words "energy conservation" have assumed a position of prominence in the lexicon of the Congress and of Government officials. Indeed, it is proper that these words should be on the lips of everyone concerned about the energy future, and hence the actual future, of this Nation.

Through energy conservation, this country can take a major step to minimize our future dependence on foreign sources of energy. This dependence threatens our national security and creates strong pressure on our economy through the balance-of-payments deficits in our trade with foreign countries. Historically, we have experienced an annual growth rate in energy consumption of about 3.5 percent. In the period from 1965 to 1973 this growth rate was about 4.5 percent. The Ford Foundation energy policy project estimated that through spartan measures to conserve energy, we might be able to reduce the annual growth rate to about 2 percent without causing adverse effects on the vitality of our economy. However, the projected large increases in population due to marriages among children of people born in the immediate post-war period and the national goal of increasing the standard of living of the very poor will limit the degree to which we can restrict growth in energy consumption. Hence, even with a major effort toward energy growth we will double our current energy consumption in about 35 years.

This is not to say that energy conservation is pointless. Quite to the contrary, it is one of the few options, along with coal and nuclear energy, which we have in the near and mid-term—10 to 25 years—to reduce our consumption of petroleum and natural gas. With an aggressive energy conservation program we can buy the time necessary to develop and commercialize the longer range sources of energy supplies—solar, breeder, and fusion energy for generation of electricity.

It is important to clarify what is meant by the word "energy conservation." In the lexicon of some people the words mean do without or with less. Steps, such as driving less or turning down the thermostat, are clearly conserving in this parlance. These actions require some change in lifestyle by energy consumers everywhere—individuals and business alike. This approach to energy conservation meets with a certain amount of understandable resistance to change, except where economic conditions dictate reduced energy use. Many proposals have been made to deregulate natural gas and petroleum prices to create economic constraints on energy consumption. While these measures may well prove to be necessary in the near future, they will certainly not prove popular, especially with the poor and the fixed-income segments of our society.

A second definition of energy conservation is to conserve scarce resources, such as petroleum and natural gas, by substitution of renewable resources, such as solar heating and cooling, geothermal, and bioconversion of waste. This is indeed a promising approach to conservation of our depletable resources. In fact, over the next 10 to 15 years, we may be able to achieve 1 million barrels of oil equivalent per day each from solar heating and cooling and from urban waste reprocessing. This would certainly be a welcome addition to our energy supply, but it would not keep pace with our energy growth at a 2 percent per year rate. Hence, other measures for saving or supplying energy will be required to prevent increased use of petroleum and natural gas.

The third method to achieve energy conservation is through improvements in the ways in which we use energy. Stated differently, we must find ways to use our energy more efficiently and eliminate wasteful designs in our homes, our industry, and tour transportation.

The topic of energy conservation is not new to the Science and Technology Committee. On June 19 and July 10, 11, and 12, 1973, a series of joint hearings, which was conducted by the Conservation and Natural Resources Subcommittee of the Committee on Government operations and the Energy Subcommittee of the Committee on Science and Astronautics, provided a comprehensive overview of the potential for energy conservation. After an analysis of the record for the joint hearings, a report entitled "Conservation and Efficient Use of Energy" (serial AA) was issued by the House Science and Astronautics Committee on December 18, 1974.

The most important conclusions of that report were that by 1980 the compounded rate of energy growth must be reduced to 2 percent annually through energy conservation, and that a comprehensive, long-term effort to utilize energy more efficiently would be required to achieve this goal.

The recommendations for Federal agency actions to enhance energy conservation included: A review of taxation policy; the administration of laws; and the revision of regulations on procurement, lease, loan, grant and subsidy programs. Within the narrower confines of the energy conservation technologies, the report recommended placing higher priority on research, development, and demonstration programs to achieve more energy efficiency in buildings, industrial processes and transportation systems. During its consideration of the ERDA authorization bill this year and last, this Subcommittee on Energy Research, Development, and Demonstration fully adopted that recommendation with regard to the ERDA conservation program.

Last year, the subcommittee recommended and the Committee on Science and Technology and the House adopted increases in the level of funding for conservation R. & D. programs from the Presidential request of $36.7 million total to $121.4 million; including $12.1 million for electric power transmission, $23.5 million for advanced transportation systems, $28.2 million for energy storage systems, $53 million for end use energy conservation, and $4.5 million for improved conversion efficiency.

Again this year the part of the ERDA budget which received the most dramatic increase by the Committee on Science and Technology was energy conservation research, development and demonstration. The ERDA request of $120 million for fiscal year 1976 was increased to $202.5 million. This represents an increase of $82.5 million. This increased funding as authorized by the House would permit ERDA to expand its energy conservation program in order to develop the new energy conservation technologies which we need today and in the future.

The major components of the ERDA energy conservation program are electric energy systems, energy storage, conservation, buildings conservation, industry conservation, and improved conversion efficiency. Two new programs added to the ERDA conservation program by the action of the House are the energy extension service and a price support program in municipal solid waste reprocessing.

Committee involvement with the ERDA authorization bills have not been the only actions of the Committee on Science and Technology on research and development legislation related to energy conservation.

In June 1975 the Subcommittee on Energy Research, Development, and Demonstration held exhaustive hearings on electric vehicles and the needs for a Federal research, development, and demonstration program related to improving them. As a result H.R. 8800 was reported from the Committee on Science and Technology and passed by the House on September 5, 1975 by a vote of 308–60.

The Electric Vehicle Research, Development, and Demonstration Act of 1975 (H.R. 8800), which has now passed the House and Senate, establishes a 5-year, $160 million program for research, development, and demonstration for electric vehicles under the Energy Research and Development Administration. The primary goal of this project will be to demonstrate the feasibility of electric vehicles, including the evaluation and demonstration of more than 7,500 vehicles over the next 5 years.

I should like to address some of the underlying reasons that we need such a research, development, and demonstration program. Transportation now accounts for about 50 percent of our petroleum use, and more than one-third of our petroleum is imported. It also seems likely that we will simply run out of petroleum by the end of this century. By using electric vehicles we can replace this imported petroleum with electricity produced from nuclear energy, coal, solar, or geothermal sources. We will at the same time dampen the flow of petrodollars and develop the technology and economic infrastructure for a new personal transportation system in this country.

In addition to conserving liquid fuels, electric vehicles can make a significant impact on air and noise pollution. The extremely complicated job of controlling millions of moving internal combustion engines—present sources of pollution—in a single city can be transferred to the more tractable problem of controlling and monitoring emissions from a few electric generating plants.

The initial objective of this legislation is to develop "second" cars for our citizens and specialized delivery vans for businesses and government agencies. In fact, a recent—1974—EPA study indicates that nearly 98 percent of daily driving of second cars could be met by an electric vehicle utilizing a single daily battery charge. The same EPA report entitled "Impact of Future Use of Electric Cars in the Los Angeles Region" also has significant calculations of potential oil savings.

Electric vehicles have the potential of energy conservation on short trips and in heavy traffic, because electric vehicles do not require energy when they are not moving and are relatively more efficient than internal combustion engines at very low speeds. I would also like to emphasize that since electric vehicles are normally charged during the night, this off-peak use of electricity actually increases the efficiency of our electric utility system.

These are some of the reasons that a Federal program in electric vehicle development is necessary and desirable. However, the electric vehicle may not prove to be the total answer to the automobile propelled by an internal combustion engine.

Fortunately there are other alternatives which we can and must consider. The Subcommittee on Energy Research, Development, and Demonstration held hearings on and reported a bill this spring which establishes within the ERDA a more aggressive alternative engines program. The bill, H.R. 13655, as approved by the House on June 3, 1976, is now in conference with the Senate version and a conference bill is expected to be reported in the near future.

This establishes as national policy vigorous pursuit of alternative automobile powerplants for upgrading the personal transportation system of this country. It mandates a research and development program aimed at improving and creating alternatives to today's internal combustion engine. These new engines hold promise to be significantly more efficient in terms of energy use; they will burn a broad variety of fuels so that our dependence on petroleum-refined fuels would be cut; and they will operate cleaner thus eliminating the degrading emissions of current engines that blighted our environment and impaired our health.

The automobile and associated industries are a significant part of the American economy. One out of every six or seven jobs is related to the automobile, and motor vehicles and related industries account for about one-sixth of the gross national product. The personal transportation system in this country is second to none, and citizens move about the country with an ease and abandon now taken for granted. The car permit total freedom in the determination of when and where a person goes. The economic health and national security of our Nation are closely tied to our highway transportation system.

The evolution of the American car has occurred in a period highlighted by the use of vast sources of artificially cheap energy and in a period when, seemingly, the atmosphere was considered as a dumping ground that could absorb pollutants without limit. However, as Americans have come to realize the need to live in harmony with the Earth and its resources, they have realized that the average automobile as it has evolved is needlessly inefficient. Furthermore, the extensive use of these cars is recognized as delivering a significant polluting insult to the Earth's atmosphere—an insult which is passed on to the health of the American people.

The need for change is recognized by every thoughtful person. The Congress has mandated clean air standards, and the industry response has been the development and implementation of catalytic converters—a move which has required the investment of billions of dollars, but a move which has led to only partial solutions.

A significant improvement to fuel economy can be achieved through changes to the automobile itself—such as weight reduction and transmission improvements. Fuel reductions of 25 to 45 percent are possible, depending on car size and the industry is proceeding to effect some of these changes—partly in response to the fuel economy standards mandated by this Congress.

However, there are alternatives which appear to be superior. With refinements expected from research and development, alternative engines such as the Stirling—Brayton—turbine, or diesel are projected to be significantly better from the standpoint of the efficiency versus emissions than the internal combustion engine. The aim of this legislation is to provide a vigorous program for the research and development needed to make these alternatives a reality.

Now, let me outline a bit more quantitatively what alternate engines should do for us:

First, these engines are projected to be from 24 to 32 percent more efficient than the conventional internal combustion engines as improved in any way now known. They can use a broad variety of fuels.

Second, three of these alternative engines have already been shown in preliminary versions to meet the strictest mandated standards for emissions of 0.4 grams per mile hydrocarbons, 3.4 grams per mile carbon monoxide, and 0.41 grams per mile oxides of nitrogen. You are aware that the industry persists in asking to have these standards postponed for the standard spark ignited internal combustion engine. Furthermore, these advanced engines are projected to be a factor of several times better than required by these strictest mandated standards.

And third, care using these advanced engines are projected to save money to the owners. The initial car may cost up to $200 or $300 more, but the overall cost to the first owner will be up to $850 less.

The Committee on Science and Technology is also cognizant of the need to insure that individual homeowners and businessmen, be able to receive answers and help in their efforts to find more energy-efficient ways to maintain their homes or to operate their businesses. Last year the committe directed ERDA to explore the possibility of establishing an energy extension service to promote the dissemination of information and advice on energy conservation measures which individuals and companies might take resulting from new technology. This year the committee recommended funding of $10 million for an Energy Extension Service in fiscal year 1977 which will provide support for completion of the ERDA demonstration program begun in fiscal year 1976, and for formulation and possible initial implementation of the final concept in the latter part of fiscal year 1977.

A national energy progam must deal with day-to-day individual energy problems. This is true for implementing energy conservation and new technology programs as well as for making decisions. Inasmuch as the ERDA will represent the major Federal energy research and development effort in the years to come, it is essential that the means be established now to enable the ERDA to create a public awareness of these efforts and to provide advisory services as a way of assuring the dissemination of information and knowledge to industry, Government and the public on energy technologies.

The committee feels that an energy extension service could fulfill this need in much the same way that the present Agricultural Extension Service has fulfilled the need in agriculture or the sea-grant college program in marine advisory services.

To insure that the structure of the Energy Extension Service is responsive to the need, the Subcommittee on Energy Research, Development, and Demonstration held hearings on a bill introduced by Congressman THORNTON. Based on these extensive hearings the committee has ordered reported H.R. 13767 to establish with ERDA an Energy Extension Service which will utilize existing State and local government mechanisms to disseminate energy conservation information to homeowners and companies.

Another major component of the legislative package of the Committee on Science and Technology dealing with energy conservation is H.R. 12112, a bill establishing a program of loan guarantees for the demonstration of new energy technologies including renewable resources, such as solar, geothermal, and urban waste reprocessing as well as energy-efficient industrial equipment. There are many municipalities and private firms who would like to proceed with urban waste conversion projects, but cannot because of reluctance in the part of many potential financers. This bill would provide the minimum assistance necessary to get these important projects started.

The U.S. Bureau of Mines estimates that 330 million tons of residential and commercial waste were generated in the United States in 1975, of which 243 million tons were regularly collected, presenting municipalities, regions, and private operators with serious disposal problems. The U.S. Bureau of Mines esti-

mates that the total waste generated in the United States will reach 420 million tons by 1980, up by 25 percent from the 1975 total.

Methods such as landfill currently used to cope with the mounting volume of solid waste present municipalities with escalating costs. As urban areas naturally expand in size, landfill constitutes the misuse of an increasingly scarce and valuable resource—undeveloped land. Energy from waste facilities will bring stability to waste disposal costs and will minimize the need to dump refuse in ever more distant and environmentally restricted landfill sites.

Energy from waste systems generate 6 million Btu's for every 1 million Btu's consumed. For every ton of urban waste there is an equivalent Btu value of 2.1 barrels of oil in recovered fuel and other materials. Therefore, if 55 percent of the total waste generated were recovered, a reasonable goal for today's technology, the Nation would save more than 1.1 million barrels of oil a day or between 25 to 30 percent of the total savings set by President Ford as the Nation's energy independence goal, according to committee testimony.

However, to get started the industry has stated that they are not in a position to finance the projects themselves. Furthermore, the municipalities who would be the purchasers of these waste recovery systems face severe financial burdens which place restrictions on their ability or willingness to finance new construction. Some municipalities no longer have sufficient credit standing to raise any meaningful amounts of long-term debt. Therefore, a loan guarantee to these interested municipalities or industries would significantly improve their position to develop these vital projects.

With regard to industrial energy efficient equipment, there are many projects that could significantly increase the efficiency of our industrial economy, but are not now attractive for financial reasons. In a study which was being done for the FEA, the conclusion was that there exists in principle the opportunity to generate over 34 percent of all the Nation's electricity by recovering waste heat and by using combined cycles to simultaneously generate process steam electricity. This potential is very impressive and should be attractive to industry. However, most industries are faced with significant capital shortages so that the return they require from discretionary investments, those which have a direct bearing on their competitive position, is significantly higher than the return they require on investments that are central to their own business. These barriers to adoption of industrial energy efficient equipment can best be met by a loan guarantee program to reduce the return that the businessman must see before he can justify adoption of these new technologies to his operations.

The latest legislative proposal to address research, development, and demonstration in energy conservation in buildings in H.R. 14290, introduced by Congressman GINN and me. This bill is intended to reduce energy consumption in the space heating and air conditioning of buildings which currently accounts for more than 20 percent of our total energy use.

The bill is divided into two titles. Title I includes the research, development and demonstration of energy conservation systems for buildings to be carried out by the Energy Research and Development Administration—ERDA. Within this mandate, the ERDA will devise methods to calculate the life-cycle capital and operating costs relating to energy consumption for buildings. The ERDA will also develop new or improved energy technologies and will participate in the preliminary design of selected existing Federal buildings to assure the inclusion of both the new or improved technologies and the use of the new cost calculation methods. In addition, the ERDA, in consultation with the Department of Health, Education, and Welfare will be responsible for developing educational materials and opportunities for training engineering and building management students in the use of the new cost analysis methods for fuels and energy in utilizing energy conservation and total energy system technologies in both building construction and renovation. For the fiscal year ending September of 1977, $12,000,000 has been authorized to carry out this portion of the legislation.

Title II gives the General Services Administration the overall responsibility for promoting increased efficiency of fuel and energy utilization in Federal buildings through the use of the new or improved technologies. Twenty-five million dollars has been earmarked to finance the GSA portion of the legislation.

Through these legislative initiatives the Committee on Science and Technology has demonstrated strong leadership for the House in promoting research and development related to energy conservation. In its actions to date the House has concurred overwhelmingly in the need for such legislation. However, all of these intiatives will come to nought if funds are not appropriated so that the ERDA can carry out these congressional directives. It is ironic that while the House and Senate have voted overwhelmingly to authorize several major new initiatives in energy conservation within the ERDA, the House Appropriations Subcommittee on Interior has recommended in the end-use energy conservation areas a funding level which matches the OMB request.

It is in this context that I have decided to offer on Friday, June 25, an amendment to the Interior appropriations bill, H.R. 14231. My amendment will add $67.5 million to the appropriations for the ERDA end use energy conservation program increasing the total funding to match the authorization level as adopted by the House in the ERDA Authorization bill on May 20, 1976.

These additional funds are vital to carry out an aggressive program of energy conservation research, development, demonstration, education and information dissemination. The end-use energy conservation activities include programs in buildings, industrial, and transportation energy conserving technologies as well as methods for improving the conversion efficiency in energy use. The $67.5 million increase will be used to augment projects in total energy systems, urban waste reprocessing to recycle valuable materials, electric vehicles, alternative propulsion systems for automobiles, fuel cells, bottoming cycles, and many other activities described in the report on the ERDA authorization (House Report 94-1081, part II). The increase will also initiate activities for buildings standards, an energy extension service, and price supports for fuels and energy-intensive products from urban waste reprocessing. These programs cannot function without adequate funding.

The Appropriations Subcommittee recommendation is simply not high enough to provide for the extensive programs required. I feel that the authorization level supported overwhelmingly by the Subcommittee on Energy Reserach, Development, and Demonstration, the full Committee on Science and Technology, and the House of Representatives is fully justified. This level was predicated upon a careful review of the ERDA program, as proposed to the OMB, and I sincerely believe this funding level is necessary if ERDA is to conduct a program which can be truly effective.

I urge the support of the other Members of the Congress for this amendment when the Interior appropriations bill is considered.

Mr. O'NEILL. Mr. Speaker, energy conservation may well be the single most unjustly overlooked need on which Congress is in a position to act. So I commend my colleague from Massachusetts (Mr. DRINAN) for taking time for this special order.

I know that it is for the same reason, namely to focus attention on the importance of legislation to encourage energy conservation, that Mr. DRINAN joined with me and a number of other Members in introducing the Omnibus Energy Conservation Act.

According to an estimate by the American Institute of Architects, an investment in conservation saves twice the amount of energy as the same investment in expanded production. Yet, virtually all the talk and money in the energy sector relate to expanding production.

Certainly the time has come for reliable information about energy conservation, for organized conservation programs, for serious research into conservation technologies, and for the necessary financing.

I commend H.R. 14205, the Omnibus Energy Conservation Act, to my colleagues as one sensible approach to conservation. More importantly, I commend conservation to you as the most sensible approach to our energy problem.

Mr. TEAGUE. Mr. Speaker, America has always had the good fortune to develop and expand with little or no concern for limited land and resources. By virtue of our size and the endowment of our many and varied resources we have, in the short span of 200 years, steamrolled into the most technologically advanced nation in the world today. We

have always had more land, timber, water, oil and coal than we could use and we easily fell into somewhat wasteful habits.

As early as colonial times Americans were burning their forests because it was the fastest way to clear the land for other uses.

Long-established patterns are hard to break, and today with the hard facts of our finite supplies of oil and natural gas and limited water supply in many parts of the Nation we are still prone to run our cars at excessive speeds, overheat our homes and let our water supply drain away through improper use.

The habit of wasting our energy and resources has not, until the recent Arab oil embargo, placed any stress or burden on either individuals or industry in this country.

Our meager history of conservation legislation has made this all too clear. It was not until the early 1900's that a major public figure advocated any serious conservation measures. Theodore Roosevelt waged a campaign for conservation almost singlehandedly. Most Americans, public and private, viewed his concerns as eccentric and exaggerated and proceeded in their well-established patterns of waste.

Today with the ominous realities of energy shortages and ever-increasing imports we have been reluctant to accept the necessity for conservation.

A recent study conducted by Lee Schipper, an energy information specialist at the University of California at Berkeley, revealed that Sweden, which has virtually the same per capita gross national product as the United States, uses 45 percent less energy than America. The study which was partly funded by the Energy Research and Development Administration concluded that a considerable portion of this lower consumption per capita is directly attributed to Sweden's more efficient use of its energy.

This is substantial confirmation that, as a Nation, we can conserve energy and still maintain the stability of our economy and our present standard of living.

The study also indicates that we can conserve without injury to our basic economic conditions, by adopting changes in our attitudes, our lifestyles, and our industrial production.

Swedish automobiles average 24 miles per gallon while American automobile manufacturers are still trying to push their mileage per gallon out of the teens. Mass transit comprises 40 percent of Swedish urban travel while it comprised only 2.5 percent of ours in 1973. The Swedes make extensive use of railroad travel while our passenger railroad use has experienced a steady decline.

Translating this into fuel saving in the United States based on more efficient cars and an altered mode of car usage we could reduce our total energy consumption by about 12 percent—or 2 million barrels of oil per day.

Homes in Sweden consume only half the fuel for heating per square foot—adjusted for climate—as in this country. More substantial installation, better ventilation, and tighter construction account for these savings.

Energy intensive industries in Sweden are using less energy than our related industries. Manufacturers have always had to pay close attention to energy saving because coal and oil have never been cheap there.

It has not been just the marketplace cost of energy and energy-using products that has stimulated the energy conscience of Swedes; it has also been the constant cooperation between the public, industry, and government to promote efficient energy use.

It is time that America take notice of what can be done. The Committee on Science and Technology has spearheaded efforts for conservation legislation in the 94th Congress. We have introduced an automotive research and development bill which is now in conference. This bill would provide funds to develop alternative propulsion systems for automobiles, that would use a variety of fuels with greater efficiency.

The electric vehicle bill, also in conference, authorizes money to demonstrate commercial feasibility of electric vehicles and promote their use as alternatives to the high-polluting, heavy-petroleum-using gasoline-powered engines.

Legislation to provide loan guarantees for demonstration of new energy technologies, including provisions for urban waste conversion to produce energy and recycle valuable materials and for energy conserving industrial technologies has been reported out of our committee.

Both the fiscal year 1976 ERDA authorization, which is now law, and the fiscal year 1977 ERDA authorization, which has passed the House, include funds for research and development on energy cconservation totaling over $300 million.

Within the fiscal year 1977 ERDA authorization $10,000,000 has been earmarked to begin an "energy conservation extension service" designed to promote the acceptance of new and existing means to improve the efficiency of energy usage. It is particularly important for the Federal Government to provide leadership and person-to-person assistance in helping individuals, businesses, States, and local governments in their efforts to adopt new energy saving systems and practices.

We envision this new service will provide consumers, businesses, and institutions with information on improved insulation, the availability and viability of solar heating and cooling systems, waste conversion for energy use and any number of simple and practical energy conserving possibilities.

It will only be through the persistent efforts of both public and private sectors in cooperation with each other that we can raise the conscience of every American to conserve the precious resources we have. Wise and economical use of our energy can only benefit present generations and insure future generations the security and comforts we have always known.

Mrs. KEYS. Mr. Speaker, a great deal of time and effort has been devoted by every Member of the 94th Congress, by all legislative committees which have any portion of energy jurisdiction, by the administration, and by many interested citizens themselves in gaining an understanding of our immediate and long-range energy problems. I believe we have clearly identified that our immediate problems are greatly aggravated by the necessity of importing large amounts of oil at an extremely high cost. As a matter of fact, the third week in March we imported more petroleum than ever before in our history, at the level of somewhat more than we produced that week. This is a first that is not exactly pleasant for us to face. Our long-range problem is easy to recognize. We are using up fossil fuels on which we have been relying as the basis of our energy supply at an alarming rate and much faster than they can be replenished.

It seems obvious that the most important and most immediate method of addressing both of these problems is through energy conservation. It certainly is the most immediate tool for working toward more energy independence and less reliance upon the importing of oil. Moreover, energy conservation is innately desirable to anyone, whether an individual in personal and home use or a business or industry for commercial use. It is innately desirable because it saves money, and an inflation-conscious public cannot help but be attracted to that basic idea.

In terms of our long-range problem, it seems unnecessary to point out that the wasteful use of energy has serious moral implications and we are obligated to conserve our fossil fuel resources and develop others as well for future generations. We must look into the problems of energy waste, the growing concentration on the energy industry, and the possibilities of substituting other energy sources. Energy supply is a compelling issue for rural and urban people alike, and it is time for us to activate the machinery to help Americans begin to deal with it more responsibly. Thus conservation looms as the one tool which has the potential of quick implimentation.

Therefore, I believe my bill, H.R. 14331, to establish an Energy Extension Service within the Energy Research and Development Administration, is a step in the right direction. By using the already existing Agricultural Extension Services and urban extension services, it is both prudent and efficient. This well established system is a reliable center for information dissemination and using it would hold down the cost of the program and should have the advantage of using people who already have established themselves as conveyers of helpful information. A nationwide program, based in each State in a center involving the expertise of the educational and industrial sectors in developing new programs of energy-conservation education and new methodology and techniques capable of reducing the consumption of fossil fuel resources could be extremely successful in helping us use this best tool we have to meet our immediate and long-range energy needs.

The land grant institution of the State is the most obvious locale, given its orientation toward engineering and ener-

gy research and the fact that it almost always has an established extension program in operation. However, my concept would also include multidisciplinary involvement from such sources as the schools of civil engineering, architecture, education, agriculture, business, et cetera.

Another provision included in H.R. 14331 is the effort to begin to change attitudes of children at the earliest possible age. This means developing new curricula and training teachers in new ways to use them. A respect for our natural resources must be instilled in the young mind at a time when learning about the world around us is fascinating. Certainly innovative curricula and teaching methods can lay the foundation of understanding that will easily influence behavior later.

It seems to me that there are several very simple basics. Energy conservation can be practiced by everyone. Energy conservation is an economy. It appeals to individuals and businesses. Energy conservation is also environmental conservation. Energy conservation means change of habits, attitudes and understanding, both today and in the future. Whatever success we achieve with today's adults can be multiplied exponentially tomorrow if we begin to learn how to teach today's children.

I call upon my colleagues to study carefully the legislation for energy conservation through an Energy Extension Service. Implementation of this bill will provide for responsible stewardship of our natural resources and a fuller use of our human resources in solving our problems.

Mr. SARASIN. Mr. Speaker, I would like to take this opportunity to commend the gentleman from Massachusetts, Congressman DRINAN, for organizing this colloquy on a subject of extreme national importance, energy conservation.

I have been increasingly concerned over the recent trend in consumption patterns which indicate that we are returning to our old habits as if we had forgotten the lesson we learned at the time of the Arab oil embargo. As we increase our consumption of petroleum products and continue to do nothing to increase our domestic supply of crude oil, the inevitable result is to increase our reliance upon foreign imported oil.

As a Representative from New England I can be proud of my region's record in the area of energy conservation. By turning back our thermostats, by observing the posted speed limits on the highway and by insulating our homes, we have made important inroads in the area of energy conservation. We have not yet, however, found the total answer to reducing our foreign dependence on oil. That is, because while conservation is an important and integral part of our national energy program, it cannot be the only part. We need to establish incentives for increased exploration and development of domestic energy by removing the restrictive price ceilings which only serve to subsidize consumption at the expense of our national security.

The Congress must act on these issues soon, because we are approaching the limits of voluntary conservation. Once you have lowered your thermostat to 65° during the winter months there is not much more room to conserve further. It is for this reason that the recent increases in the consumption of gasoline are troubling as they represent a reversal in the past embargo trend toward conservation. I recently expressed my concern over this trend in a recent weekly column and would like to include it at this time for my colleagues' benefit:

THE ENERGY CRISIS—REVISITED

After two years of debate, countless bills, amendments, charges and countercharges, and repeated congressional rejection of any effective program later, the threat posed to America by our increasing reliance on foreign petroleum is again escalating. And the Majority in the Congress still shows no inclination to take effective action.

The latest indication of the renewed seriousness of the situation is apparent in several new pieces of information and the fact that domestic production of oil and natural gas is continuing to decline, widening the gap between domestic supply and consumption and putting us in greater jeopardy from foreign events.

Perhaps the most disappointing of the new figures is the recent jump in gasoline demand, following more than a year of indications that Americans were heeding the call for voluntary conservation and restraint. Maybe much of the renewed spurt in consumption can be traced to the Bicentennial urge to travel, to see our country and participate in her birthday.

I certainly would not like to discourage a family from journeying to Philadelphia to see the Liberty Bell and Constitutional Hall, to visit the Nation's capital for the many observances there, or to trace their national heritage to Lexington and Concord, or our own Fifth District historical sites. But the fact remains that we have not done anything to increase the domestic supply of gasoline or oil, and we are using it at an even faster rate.

The latest figures indicate that gasoline demand is currently about 7.5 percent ahead of 1975, after holding relatively steady in 1974. Coupled with this is the news from the auto makers in Detroit that people are once again buying more and bigger cars, reversing a trend established after the crisis caused by the oil embargo of two years ago.

These statistics are not in themselves bad. A healthy auto industry is one of the keystones of our entire economy, travel and related industries are another important component, and full and active participation in the Bicentennial can have a beneficial effect on our national outlook.

The most disturbing aspect of this is the implication for the non-program the Congress adopted regarding energy. Instead of adopting policies to increase domestic energy production, the majority chose to continue to discourage new exploration and production in this country. Instead of allowing the proven mechanism of free market economics to function as it has very effectively in other areas, the Congress substituted government decision-making, a frequent source of trouble.

These decisions virtually assured we would not have any significant increase in domestic supply of petroleum, and did little to discourage demand.

Instead, Congress decreed that auto makers produce more economical cars in the future, setting actual mileage requirements to be achieved by certain dates. It was evident that these standards could be achieved by the manufacturers producing predominantly small, low-powered cars with few energy-absorbing optional features.

What Congress did not answer was how the manufacturers were going to sell these cars if the American consumers decided they still wanted to buy larger cars, which is the decision apparent in the latest sales figures. In effect, the legislation passed the buck to the auto makers to solve a problem the congressional majority was unwilling to take effective action on.

If the Majority believes the answer lies in autos that get 28 miles to the gallon, then let's see them have the courage to pass a law that no one may buy a car that gets less mileage than that. That at least would be taking some of the responsibility on themselves.

Or take the more logical step of allowing the market to determine the energy supply with appropriate excess profits taxes and rebates for low income citizens. Critics of U.S. auto firms continually point out that European cars are more economical, but refuse to recognize that European gasoline prices have always been much higher than ours, making small economical cars attractive to the buyer.

The same economic factors were demonstrated here, when the embargo made gasoline much more expensive and hard to find. Small car sales boomed, until Congress said U.S. policy would continue to be controlled gasoline prices. Now that prices have moderated and supply is temporarily adequate, there is no particular reason for many Americans to sacrifice their preference to larger cars.

What this all demonstrates is that the congressional "policy" so far is nothing more than wishful thinking and the long-term energy crisis is still with us.

Mr. GILMAN. Mr. Speaker, I rise to express strong support for the Omnibus Energy Conservation Act, H.R. 14205. Passage of this bill would significantly assist in coordinating the various pieces of energy conservation legislation and would fill the gaps that exist between such legislation in lieu of a comprehensive energy conservation law. Not only is it imperative that we do all we can to encourage the exploration and development of new sources of energy, but we must also invest in energy conservation programs that embody a prudent utilization and husbanding of conventional energy resources that are rapidly dwindling.

The Omnibus Energy Conservation Act would amend the Energy Policy and Conservation Act, enacted in 1975, and the Federal Nonnuclear Energy Research and Development Act, enacted in 1974. Title I of the proposed legislation would establish several programs designed to promote energy efficiency in residential, commercial, and public buildings. It would authorize $175 million in Federal grants to States, up to $4.5 billion in loan guarantees to finance conservation measures, $700 million in HUD housing conservation loans, and Small Business Administration conservation loans in cooperation with lending institutions.

Title II identifies the need for a Federal research and development program and State institutes for training personnel in conservation techniques. It would establish a National Energy Extension Service, administered by the States, to encourage the acceptance and adoption of energy conservation opportunities by energy consumers. Title II would also authorize ERDA to use funds appropri-

ated pursuant to the fiscal year 1977 Authorization Act and require future authorizations to be included in the annual authorization for ERDA.

Accordingly, Mr. Speaker, I urge my colleagues to support this omnibus bill which seeks to overcome the jurisdictional disputes that have plagued past energy conservation initiatives in the House. Its passage would do much to rectify the energy problems confronting our Nation: a shortage of reliable information; the absence of organized programs to generate and disseminate information concerning energy conservation; the need for a vigorous, comprehensive attempt to research and produce new practicable energy conserving technologies; and the inadequate availability of financing mechanisms for energy conservation expenditures.

Mr. ROSENTHAL. Mr. Speaker, much of the congressional and public discussion of energy conservation during the past few years has focused on the development of new energy sources and the reduction of dependence on foreign energy sources. This is very important—even urgent—but it should not monopolize our attention to the question.

Tremendous potential for savings resides in demand reduction through cutbacks in present consumption levels and control of future consumption via regulation of the rate of growth of demand for energy.

A recent report by the Federal Energy Administration is very instructive on this point. As is generally known, energy consumption is determined by such factors as population, affluence, and efficiency of use. It has been thought that the economic success and high standard of living in the United States were responsible for its position as the Nation with the world's highest per capita energy consumption. But the FEA report, Energy Conservation Paper No. 33, casts doubt on the validity of this assumption.

In comparing the relative efficiency of energy use in West Germany and the United States, it finds that West Germany, with a per capita income roughly comparable to ours, has a per capita energy consumption which is only about half of that of the United States.

This "suggests that it may be possible to achieve a substantial reduction in the rate of growth of energy consumption in the United States," according to the FEA report, "without reducing our standard of living and economic growth." Moreover, a Project Independence report found that "energy conservation can reduced annual growth of demand to about 2 percent per year between 1972 and 1985." This is a significant drop from the currently projected figure of 2.7 percent.

The Omnibus Energy Conservation Act (H.R. 14205) deals with this problem better than any energy conservation legislation now on the books. While Public Law 94–163 deals only with automobile- and appliance-related conservation, H.R. 14205 establishes several programs to promote energy efficiency in residential and commercial buildings. This is accomplished by creating standards, guidelines, assistance, and research and development programs. It should enable this country to make large strides toward greater efficiency in the utilization of energy.

Mr. McKINNEY. Mr. Speaker, I am pleased to be able to participate in this exchange of ideas with my colleagues on the subject of energy conservation, a subject of obvious consequence for our nation's future. Certainly, a great deal of time and thought, however little action, has gone into developing a viable energy policy for this country. However, Mr. Speaker, there are cetrain areas where improvement is needed, as evidenced by the latest energy import statistics which now stand at 40 percent of our entire oil supply.

One fault I find with our overall conservation outlook, Mr. Speaker, is the narrow and limited interpretation which both this Congress and the regulatory departments of our Government have placed on the concept of energy conservation. The lion share of our efforts in this field appear to emphasize the importance of efficient fuel use by the consuming public. In my opinion, Mr. Speaker, proper coordination of energy distribution is an extremely crucial aspect of our efforts in this field which has been all but ignored. A case in point is the distribution of our Alaskan resources.

By now, every energywise person in this country should be aware of the problems which we are going to face with the distribution of Alaskan oil. Due to a lack of receipt, storage, and distribution capabilities on the west coast, the scheduled flow of Alaskan oil to that region is expected to result in an oil glut. If allowed to develop, Mr. Speaker, this situation will deal a serious blow to conservation efforts throughout the country.

Any doubts concerning the probability of this dangerous situation arising, Mr. Speaker, should be easily answered by any of the following events including: The formation of a corporation called the Northern Tier Pipeline Co. which recently applied for the rights to sell public and private stock in order to finance the construction of a $1 billion pipeline to transport the Alaskan pipeline across five Northern and Midwestern States; the formation of a proposal now in its initial planning stages, being discussed between Standard Oil of Ohio and at least one natural gas pipeline company, to convert existing gas pipelines to transport Alaskan oil; a statement made last week by Secretary of the Interior Thomas Kleppe, announcing that Alaskan oil, in order to avoid the possibility of distribution problems, may have to be exported to Japan and exchanged for Indonesian oil; and my personal receipt of letters from the Secretary of Interior as well as the Administrators of the FEA and FPC acknowledging the existence of possible distribution problems and outlining the various alternatives now under consideration—one of which is the exportation of those Alaskan resources.

Clearly, Mr. Speaker, we face a confused, mismanaged, and potentially costly situation with the distribution of Alaskan oil. It is a situation which flies in the face of any national conservation efforts and a situation which we must deal with before the scheduled flow of that oil, in October of next year.

Accordingly, Mr. Speaker, I have introduced a bill which would call for the establishment of a regulatory consortium to develop a single definitive plan for the distribution of the Alaskan oil and hopefully avoid the loss of these precious resources from this country's energy markets. The bill temporarily suspends the export authority of the Trans-Alaskan Pipeline Authorization Act until the regulators plan gains congressional approval. The bill does not favor one distribution plan over another and does not preclude any alternatives under consideration. What the bill will do is insure that a well-reasoned, coordinated process will dictate the destination of that oil and will avoid hasty and unwise distribution decisions being made, under crisis conditions, by individuals whose decisions may not have the best interests of the country in mind.

The conservation of energy means the proper handling of those resources already available to us. The Alaskan situation is the ideal platform to demonstrate to the American people that this Congress is sincere in its conservation efforts and can be successful as well.

Mr. BINGHAM. Mr. Speaker, since the energy crisis of 3 years ago—which has seemingly now been reduced from a crisis to the status of a chronic nag—we have had long and frequent debates on energy issues. Unfortunately, too large a portion of our own energy in this field has been devoted to problems of energy supply; the crucial problem of limiting demand—conservation—has received less serious attention. While we have been able to do little more than speak about conservation, we have been forced to watch the free market fail conspicuously to actually conserve energy: The recent move of car buyers back to huge gas guzzlers is only one symptom of this failure.

I believe that effective conservation is perhaps the only way we can resolve some of our more bitter recent debates about energy supply. Are nuclear reactors safe? Will breeders breed? Certainly the ideal way to answer these questions would be to render them as irrelevant as possible; minimizing our need for energy is the only certain way to minimize the damage that we do, both to ourselves and our environment, in meeting energy demands.

I hope that today's effort to emphasize the need for conservation to the Congress will be only the beginning of successful efforts to pass conservation legislation.

Mr. KRUEGER. Mr. Speaker, it makes economic sense to pursue the development of conservation technologies even at the expense of many millions of dollars now. We cannot afford to save $67 million now if the price of that savings is really the continuing rapid depletion of our domestic resources and the drastic dollar drain as we turn to foreign sources for the fuel that supplies 75 percent of our energy. It is appropriate for this body to consider alternative sources of fuel and to support technologies that

can convert those sources into usable energy, and we seem prepared to meet that responsibility to the future. But we have a responsibility to the present, and to a few years hence, to be sure that we can continue to supply as much of our own energy as possible at as reasonable a price as possible. And to meet that responsibility we need to find ways to achieve significant conservation, especially in the industrial sector where 42 percent of our fossil fuel is consumed. Conservation is an essential factor in a comprehensive energy policy, but as is so often the case, we must spend money to save even more money.

There are some processes which need further research and development in order to become widely applicable to the industrial sector. For example, the high temperature recuperator, a device which extracts energy from waste streams and recycles it, and for which these may be well over 100,000 applications throughout the United States, has been targeted by ERDA as very promising. The catalytic combustion industrial boiler is thought to be able to improve the efficiency of steam converters to about 90 percent. Such an increase over our present level of 65–75 percent could achieve a possible savings of 3.5 quadrillion Btu's if all steam generators could be that efficient. The oxygen blow blast furnace could improve combustion efficiencies to effect a twofold increase in the capacity of our existing blast furnaces, while producing a highly efficient gas for other industrial energy uses. We could reduce the net energy consumption of the steel industry by 35 percent.

These processes are not the esoteric technologies of the future; with proper funding for research and development we should be able to test and develop their applicability to our present industrial operations. I urge my colleagues support the restoration of these necessary funds to the ERDA appropriation.

Mr. REUSS. Mr. Speaker, I appreciate the opportunity provided by this special order to help focus congressional and public attention on H.R. 14205, the Omnibus Energy Conservation Act, which I have sponsored. I commend Congressman DRINAN for his initiative.

We, as a nation, are not pursuing energy conservation with sufficient vigor. In some measure, our energy problems result from that fact that consumers—and that means all of us—have been accustomed to having energy available at all times, in any quantity required, and at relatively low prices, whenever we flick a switch or start a motor. We suffered some hard times and inconveniences during the days of the Arab bloc's oil embargo. But now we seem to be forgetting those lessons and gradually returning to the "good old days" of energy abundance.

But this is a fool's paradise. Our nonrenewable domestic energy resources are sharply limited, and the extent of our dependence on foreign oil has increased, rather than decreased, since the end of the Arab embargo. It is imperative that government, industry, agriculture, and the general public keep clearly in mind the need for a vigorous conservation program.

As our majority leader, Congressman O'NEILL, has said, H.R. 14205 will help to focus national attention on "one reasonable and comprehensive approach to energy conservation." The bill combines parts of several energy proposals which have been referred to three separate committees in the House—Banking, Commerce, and Science—and it has received broad support from labor, consumer, and environmental groups. Key provisions of the bill include $4.5 million in loan guarantees to finance conservation measures; $700 million over the next 4 years for homeowner conservation loans; $225 million over the next 4 years to assist low-income homeowners, under the Energy Conservation and Insulation of Buildings Act of 1976; new authorizations for the Small Business Administration to provide loans to small businesses to implement conservation measures; and creation of a National Energy Extension Service, planned and coordinated by the States, to collect and disseminate energy conservation information.

H.R. 14205 is the most comprehensive energy legislation now before the Congress, and it will be given prompt attention by the Banking Committee and by the other committees to which it has been referred. It is the subject of an upcoming House-Senate conference.

Mr. UDALL. Mr. Speaker, for too long energy conservation has been considered a minor goal that was not an integral part of our energy policy. It is now evident, and we hope to persuade our colleagues of the fact, that conservation should be the most important single program in a balanced energy policy.

We often joke that economists try to reduce everything to a diagram illustrating supply and demand curves. Most of the debate about our energy policy, however, has focused upon supply. Since the oil embargo of 1973, we have frantically searched for new supplies of petroleum. Richard Nixon presented us with Project Independence, an ill-defined scheme aimed solely at replacing supplies of Mideast oil. Each proposed supply substitute has serious drawbacks. We are told, for example, that domestic oil prices must increase to encourage our petroleum production. This is however, a shortrun view, for our fossil fuel reserves are dwindling and increased production will only bring the day of reckoning closer. Undeterred, those seeking supply substitutes tell us we must develop the Outer Continental Shelf so rapidly that any attempt to revise the laws governing the OCS will cause too much delay. This is the same argument we heard when Congress was planning the Alaskan oil pipeline. In that case we enacted legislation quickly—and the hurried construction of the pipeline has caused untold economic, social, and environmental problems, and has brought unexpected delays. Finally, I am sure that my colleagues are all familiar with the great debates in the House concerning the role that the Federal Government should play in the commercial development of synthetic fuels, the safety of nuclear power and the struggles to adequately protect our lands from the ravages of unregulated strip mining.

Given the problems attendant upon obtaining energy supplies—whether they be Middle East oil, incentives for domestic production, rushed OCS development, or synfuels—we must focus more attention on the demand side of the equation. We cannot let our energy demand per capita continue to increase at historic rates; if we do not now plan for necessary changes in our consumption patterns we will face a drastic and devastating collapse in the near future. By conserving energy we can extend the lifespan of our remaining fossil fuel reserves. We must use the time thus saved to develop new sources of energy to meet our domestic, commercial, and manufacturing needs. Fossil fuels are the means we have employed for the last 200 years to meet these end uses. It is clear that that era is ending—not by our choice, but by the inexorable fact of a finite planet. We must now find ways to produce the goods and services our society requires.

Any attempt to develop an energy program for our Nation should include an examination of the role energy plays in our economy. In the past we separated energy policy—when we took the time to consider it—from economic policy. The chaos wrought by the sudden rise in petroleum prices in late 1973 finally showed us that the two cannot be separated. Traditional economics teaches us that each economic endeavor involves labor, capital, and resources. Since the industrial revolution, we have been trying to minimize labor by using greater and greater proportions of capital and resources. We have been so successful that we now have an energy shortage, a capital crunch, and millions of people permanently out of work. Obviously, we must change the proportions in the formula. For example, our housing shortage can be greatly diminished by rebuilding our cities, which would also decrease energy demand for commuting. We can rehabilitate existing structures with the skills and abilities of the many unemployed Americans living in the very neighborhoods that need improvement. Our economic system was developed at a time when resources were cheap, capital available, and labor was scarce. These factors have all changed and our economic system must reflect the balance of the factors of production available now and in the future.

All these crises are occurring simultaneously because our economic, energy and environmental problems are all part of the same systemic disorder. We must address them simultaneously. We cannot focus our attention on finding new sources of petroleum to substitute for the large amount of Arab oil we import; rather, we must change our patterns of consumption and our methods for producing goods and transporting goods and people. And conserving energy buys us the time we need to do this.

I believe that we can persuade our colleagues in the Congress and our fellow

citizens—many of whom saw and accepted these facts long before we did—to develop a policy of energy conservation. We can do this, and we must: not because it is morally superior or environmentally sound, but because it is the only way to find long run solutions to our energy, economic and environmental problems. In earlier days, we left energy policy to oil companies and economic policy to bankers. We now know that there are limits to our resources and we must live within the means of our ecosystem. We are going to have to conserve petroleum because one cannot use—let alone waste—resources that have been depleted. We must begin weaning ourselves now so our dependency on fossil fuels and our reserves decrease in tandem.

Mr. DINGELL. Mr. Speaker, during the past year and a half, the House Interstate and Foreign Commerce Committee's Energy and Power Subcommittee, which I chair, has held extensive hearings and acted on many bills to help meet our national energy problems. The experience and insights we have had in this work have convinced me that the single most important way to do so would be to increase our efficiency, and to reduce the vast amount of waste, in our use of energy.

All of us grew up in a world in which energy was regarded as virtually infinite and free. However, "those days are gone forever."

We must now begin to deal with energy as a limited resource which is expensive and must not be wasted. This does not mean, as so many spokesmen for the status quo tell us, that the quality of our lives must decline. Indeed, the very reverse may be the case and it is our job to assure that this, in fact, is made the case.

So far, the record of this Congress on energy conservation is not as impressive as I would like. We have tended to be preoccupied, as certainly the administration has been, with enhancing energy supply, rather than inhibiting demand and reducing waste of energy. The only major legislation thus far adopted by Congress in this area has been the Energy Policy and Conservation Act, which we managed to negotiate with a very reluctant President last year and which requires a number of conservation initiatives, both voluntary and mandatory. Yet, these initiatives are not adequate, by themselves, to do the job. I believe that further Federal legislation in this area is necessary. There are several bills now being readied which will help to further the objective of enhancing our efficiency of energy use, such as the omnibus legislation embodied in the language which the Senate included in the FEA extension bill, H.R. 12169, on June 16, on which we will soon go to conference, and in the bill H.R. 14205, which our majority leader, Congressman O'NEILL, and others, including myself, have cosponsored.

It is my intention to make energy conservation a major legislative effort, both in the rest of this session of the 94th Congress and in the next Congress.

Our Energy and Power Subcommittee members strongly support energy conservation efforts. We recently held a series of hearings on the longer term energy problems and the opportunities we have to resolve or ameliorate them. I commend these hearings to you. The experts, like Jay Forrester, Kent Watt, Earl Cook, and others who testified and presented statements at these hearings, provided very perceptive insights which have a powerful bearing on the kinds of concerns which we share here today.

The relationship between energy consumption and indicators such as gross national product is not as clear-cut as some economists would have us believe. Nations such as Sweden and West Germany have a vastly superior ratio of per capita energy consumption to per capita GNP. Just why this is so, is a function of many factors, including the fact that those nations have a different kind of geographic and demographic structure, live in smaller and better insulated homes, use mass transit in greater proportion and travel shorter distances than we do. Yet, these differences, although important, do not by themselves explain satisfactorily why they have managed to discover how to live well and waste less energy in the process. These people have something very important to tell us and I believe that it is a matter of high priority that we learn those lessons and apply them to our own lives.

It is, of course, a fact—but a fact that is curiously difficult to convey to a number of otherwise fairly perceptive people—that our ability to improve the efficiency of our energy use has enormous benefit for an economy which is by no means healthy, even today.

To the extent that we are able to conserve energy we are in effect buying much cheaper fuel. If it costs roughly 15 cents per barrel to insulate a home, even an economist would agree that this is a far better bargain than supplying that home with additional barrels of oil or its equivalent priced at $7 or $10 or $13, or more.

Another point to note is that efforts such as insulating homes tend to be labor intensive, as opposed to capital or energy intensive; and as we all know, capital and energy are in increasingly short supply these days.

Another factor is that our ability to conserve energy today implies the corresponding ability to defer or to eliminate the construction of new energy production facilities. It is a curious fact that many of this Nation's giant electric utility companies are still operating on the assumption that the utility growth rate will shortly come back to very close to what it was before the 1973 embargo, once the economy recovers.

Our Energy and Power Subcommittee has recently completed a marathon series of hearings on the electric utility industry and these hearings disclose that knowledgeable people have some very real questions about the growth of the electrical sector of the economy from this point forward. I was distressed that a number of these utility representatives, when confronted by the suggestion that historical growth rates may be of only limited value in projecting future growth rates, tended to look off into space and rapidly change the subject.

We have a long way to go and it is an important journey. Much more attention is being paid to energy conservation these days and such efforts should be given every encouragement. It is up to us in Congress to help lead the way. I am confident we shall do so.

Mr. EDWARDS of California. Mr. Speaker, I am pleased to have the opportunity to join my colleagues in a dialog on the subject of energy conservation. As we all know, the energy crisis which precipitated long lines at service stations and higher prices for gasoline has not been solved. While the pain and inconvenience of the original crisis may have temporarily eased, we in America have not as yet taken the steps necessary to meet the crisis. In spite of warnings that our energy demands far outstrip our supplies, the United States continues to waste each year more fuel than is consumed by two-thirds of the world's population.

Conservation lessens the environmental threats posed by new energy technologies while at the same time providing the cheapest source of energy available to the Nation. In fact in a recently issued report, the Worldwatch Institute estimates that for the next quarter of a century the United States could meet all its new energy needs simply by improving the efficiency of existing uses.

International comparisons support the contention that through conservation the U.S. energy budget can be trimmed over time by more than one-half. For example, Sweden, West Germany, and Switzerland, with about the same level GNP as the United States, use only 60 percent as much energy per capita as does the United States. West Germany uses seven-eighths as much fuel per capita as we do for industrial production, one-half as much for space heating, and only one-quarter as much for transportation. Yet none of these countries has even begun to approach its full potential for energy thrift.

The United States has failed to use its energy resources in an efficient manner. Over the last century we have gradually shifted into a nearly complete dependence upon nonrenewable energy sources. One hundred years ago 90 percent of our energy came from sustainable resources. Today approximately 90 percent of our discretionary energy budget comes from petroleum, natural gas and coal.

While higher prices for oil have generated new techniques for its retrieval, we now realize that even huge domestic discoveries such as those on the Alaskan North Slope do not change the fact that our domestic supplies are being rapidly depleted and may not last beyond the next generation. Future production of natural gas appears likely to decline even more rapidly than oil, whether or not its price is deregulated. Alaskan gas sources and coal gasification plants cannot fill the gap.

Of the fossil fuels now being used in this country, coal is far and away our most plentiful. However, the mining and combustion of coal continues to be a major environmental problem. The

States containing the greatest U.S. reserves of coal are quite correctly concerned over the environmental impact of large scale strip mining operations. We in California are also concerned about what effect the greatly increased burning of coal will have on our already polluted air.

Another energy alternative at our disposal is the use of nuclear power. The people in California and elsewhere throughout the Nation are growing increasingly concerned about the safety of this energy source. Problems of plant safety, waste disposal, enrichment capacity, fuel reprocessing and reliability, have combined with mounting financial costs to make this option look less and less attractive. In my own State, Governor Brown has recently signed a series of bills which place a strict burden to prove the safety of that technology on the suppliers of nuclear powerplants.

In light of the dangerous and depletable nature of our major fuel sources it is truly amazing that we have not yet devoted our attention to the huge savings possible through energy conservation. A barrel of oil saved is more valuable than a new barrel of oil produced, due to the "energy cost" of production. A dollar invested in wise energy conservation makes more net energy available than a dollar invested in developing new energy sources. For example, ceiling insulation in a typical home costs about $300 installed and will save about seven barrels of oil each year for the lifetime of the house.

Space heating currently comprises about 18 percent of our energy use, water heating 4 percent and air conditioning 3 percent. This combination totals 25 percent of the Nation's direct fuel consumption. Strict insulation standards on new buildings, a vigorous program to increase insulation in existing residential and commercial buildings, the use of solar heating and cooling technologies, the adoption of solar water heaters for virtually all residential and commercial hot water needs, and the widespread use of total energy systems in large complexes could reduce our energy budget by at least 16 percent over the next quarter century.

The city of Santa Clara, Calif., has already begun to make a large-scale commitment to energy conservation through the application of solar heating and cooling. Their community recreation center is the largest new building in the world to use solar energy for its heating and cooling demands. In addition, the city is making extensive use of solar energy for heating swimming pools both at individual homes and public facilities. In an effort to overcome the large initial costs of installing solar collectors in private homes, the city is conducting a pilot project in conjunction with HUD to install solar space heating systems in five new single family homes. These will be installed by city crews and operated on a utility basis with the city charging nothing for initial installation but sending a monthly bill to the resident for use of the equipment.

It is my hope that such innovative and encouraging local efforts will increase in the near future. Passage of a measure such as the Omnibus Energy Conservation Act could help to provide the necessary Federal encouragement to get the United States involved in a serious, long-term commitment to energy conservation.

Mr. SIMON. Mr. Speaker, I welcome this opportunity to participate in the special order for energy conservation at a time when energy costs skyrocket and our natural resources slowly become exhausted. It is my hope that this special order will help to generate true interest in this all-important issue on the part of Congress and help us to compile a list of facts, figures, and tips that will enable us to deal more effectively and enthusiastically in the field of energy conservation.

While the Nation stumbles toward an energy policy—and unfortunately that is an apt description of what is happening both at the executive and congressional levels—there are practical things all of us can do to save energy and save money.

After discovering lights on all over the house one night when I came home, and the television set running unwatched, I told our two children that I would take our last electricity bill and from then on, they could divide one-half of any savings—one-fourth of the savings to each. It worked. Last month they made some money—$4—the Simon family saved some, and a little less electrical energy was consumed.

Our daughter wanted to know how much energy is consumed in turning lights on and off; if you are out of a room for 15 minutes, for example, does it pay to turn those lights off for 15 minutes? We went to the Federal Energy Administration to get the answer: It depends on the type of light fixtures you have, but a good rule of thumb is that if you will be out of a room 5 minutes or longer, it pays to turn off the lights.

Here are some other suggestions I have extracted from bulletins of the Federal Energy Administration:

A tall evergreen hedge on the north side of your home will cut heating bills 10 to 34 percent.

An annual furnace tuneup will save more than 10 percent in fuel, on the average.

Turn off the pilot light of your furnace during the 4 warmest months.

Remove one bulb from a multibulb fixture. Lights represent 15 percent of the average family's electrical consumption.

If you are baking in glass or ceramic containers, you can lower the oven temperature by approximately 25 degrees under the setting suggested in a cookbook. The recipe settings are generally designed for metalware.

Pulling drapes, blinds, or shades saves heat in the winter, keeps warm air out in the summer. This is particularly important on the northern side of the house in winter and the sunny side in the summer.

If you reduce home lighting by one 100-watt bulb for 5 hours a day, the annual savings will average $5.

An aerator, the small device with holes in it you put on the end of kitchen and bathroom faucets, will save about 2 gallons of warm water a day, cutting back on water consumption and your water heating bill.

Do not place thermostats on exterior walls.

Cover liquids stored in a refrigerator.

In addition, you can do all the obvious things: Storm windows, insulation, caulking, and weatherstripping air leaks.

All of this is not a substitute for a national energy policy, but until one emerges, you can help conserve energy and save money at the same time.

Mr. HARRIS. Mr. Speaker, jacking up petroleum and natural gas prices to increase domestic supplies is not the answer to our energy problems. First of all, there is only so much petroleum and natural gas, and it is absurd to accelerate the depletion of domestic reserves. While, conceivably, for a very short time we might feel that we are a little less dependent upon foreign oil, we are just kidding ourselves. As reserves become increasingly depleted—unless we decrease our demand for petroleum and natural gas—we will become even more dependent upon foreign oil and the hostage of our suppliers.

What we need to do is accelerate the development of alternative fuels—including solar energy, coal, wind, geothermal, and nuclear—to assure energy supplies. At the same time, we must reduce projected energy demand. Energy conservation and the development of alternative fuels are both necessary; neither will be effective without the other.

Energy conservation does not have to mean doing without—it means utilizing resources better. We do not have to go to the extreme of reverting to an earlier era when candles illuminated the interior of our houses. We do not have to reduce our industrial output, nor reduce the quality of life for our people.

Nor do we have to squeeze the consumer in order to encourage energy conservation. A major reason why the public does not conserve is the absense of information—or at least the widespread dissemination of information—pointing out how one can conserve. When the consumer faces higher prices and perceives no real alternatives, he has no choice but to absorb higher costs. For example, despite the recession and a 70-percent increase in middle distillate prices, demand decreased only 6.9 percent from 1973 to 1975. All energy users need to be aware of the opportunities to reduce energy consumption without merely doing without.

The average citizen is willing to do his part to reduce energy demand. He needs to know how he can reduce consumption and maintain his lifestyle. He also wants assurances that other consumers, business and government are carrying an equitable share of the conservation burden.

Consider the tenant who intends to live in a house for but a few years. If the electric and gas rates increase substantially, what is he going to do? Unless the price of insulation is spread over several years, there is no way that it will be cheaper for him to insulate the house rather than absorb the cost. Since he is only going to live in the house for a few years, he cannot amortize the costs of insulation and he is forced to absorb the higher cost. No conservation is achieved.

Further, the consumer is wary of claims of eventual cost savings through investments in energy conservation technologies. The consumer has been ripped off too many times by hucksters eager to make a buck. Before the consumer gambles on new technologies, he wants some assurance that he is prudently investing his money and not becoming a victim of a "shell game."

Research and development of conservation technologies, dissemination of information, and quality control are needed if we are to conserve our resources and maintain the living standards that our people desire. The Omnibus Energy Conservation Act addresses these needs, and I am pleased to join my colleagues in cosponsoring this bill.

This bill goes hand in hand with the other energy proposals that I have supported. In March of last year, I, along with four other Freshman Members, developed a set of proposals to protect the interest of the consumers in energy policy. Since that time I have worked for a proconsumer national energy policy. I have supported legislation to place a lid on energy prices; to break up monopoly power; to reform utility rates and the regulatory process; to promote energy research and development; and to utilize energy resources on public lands, including the Outer Continental Shelf. I am particularly pleased that Congress has enacted the Energy Conservation and Oil Policy Act which places a firm lid on petroleum prices, and prepares systematically to deal with shortages in the event of emergencies. The Omnibus Energy Conservation Act complements earlier legislation to create the type of energy policy that we need.

There is no single solution to our energy problems. But until the Government gets into the business of conservation, our energy policy will be incomplete.

Mr. JEFFORDS. Mr. Speaker, conservation in America has not yet really taken root. We can see this in the renewed upsurge of demand for gas-guzzlers, and we can see the companion development in Detroit of a turning away from radical retooling in the direction of subcompact cars. It is in this return to the demand patterns of the preembargo period which is the surest sign that voluntarism without imminent emergency has not worked.

We must be realistic about this, Mr. Speaker, if we in the Congress want to have an effect on conservation over the next few years. We have to provide concrete incentives to stimulate conservation—in the way of tax breaks to low-income people and middle-class people to insulate their homes—and in the way of tax penalties, particularly aimed at industry, and here I am thinking about the auto industry, to force the development of more efficient machines.

My point here is that the Congress is going to have to mandate these things—for if we do not mandate them, it is possible that the Arabs will, and it will occur in the context of perhaps a military emergency in the Middle East.

Mr. BOLAND. Mr. Speaker, I am pleased to have this opportunity to speak on energy conservation. Much is lumped under the general term "the energy situation." I believe that energy conservation is probably the most important aspect of that situation and it is certainly the aspect most easily understood and practiced by all of us.

In this Congress, we have concentrated on questions of energy priorities, ways to increase domestic supplies, questions of import policy. We have seen electric cars driven around the city and witnessed solar heated and cooled residences and commercial buildings. But there also exists an opportunity for an immediate and substantial contribution to the energy situation. We have it within our means to do something now to alleviate the energy demand without sacrificing the quality of life in doing so.

Mr. Speaker, energy consumption in this country has risen dramatically in the years since World War II. The United States now has the highest per capita energy consumption of any industrialized nation. This energy consumption has allowed us to make remarkable progress in the last three decades. We are, however, living in a changing world. Energy supplies are not as readily available as they were in that period of high-energy consumption. We must recognize that energy will not always be as readily available. We must prepare for those times when energy will be probably scarce and certainly be more expensive.

We now have the technology to insure that increased energy prices and decreased availability of certain types of energy sources will not mean a decrease in economic growth or a change in the Nation's lifestyle. In all areas, we can lessen energy use through relatively simple procedures. In the residential energy use, increased insulation, proper maintenance of heating and cooling equipment, and lower thermostat setting will cut energy use. In the area of transportation, we have already seen how effective carpooling, lower speed limits, and mass transit systems are in saving energy. We have only scratched the surface of energy saving techniques in the industrial area and already those techniques are paying off. Together, Mr. Speaker, these and other practices will decrease our energy consumption, will simply make us more energy-efficient as a nation.

I am very pleased with the many energy projects which this Congress is now supporting. Research and development must be undertaken in all those many areas where energy is of vital concern. But at the same time, I urge the Members of this House as well as the rest of the Nation to remember that through simple techniques we can now have a substantial impact on the energy budget of this country. Through the use of procedures and devices available to all of us, we can cut energy waste without cutting economic growth or common amenities. Energy conservation is a practice that should be practiced by us all. The task before us is to see that the phrase, "should be practiced by us all" is changed to the phrase, "is practiced by us all." I join with my colleagues in stressing the importance of energy conservation and I applaud their interest in this issue. I hope this interest can be increased and shared.

Mr. KOCH. Mr. Speaker, as one of the cosponsors of H.R. 14205, the Omnibus Energy Conservation Act, I would like to add my support of the bill, and would like to take this opportunity to offer my thoughts on the importance of conservation.

The concept of energy conservation mistakenly means to many people years of "blood, toil, sweat, and tears." Because of this, many in the Congress are reluctant to vote for such a program. But this is not true.

According to a Worldwatch paper on energy conservation, the United States wastes half of its energy, and could reduce that much without a significant change in present lifestyles. We can achieve that goal through improvements in automotive fuel efficiency, building insulation, and use of waste heat, to name but three areas. Perhaps the most significant statement in the report was the following:

Meeting new energy needs through conservation would be cheaper, safer, more reliable, less polluting, and create more jobs than obtaining energy from any other source. Energy obtained through conservation is the largest source of new energy currently available to the United States.

What this means is that we need not agonize over lost jobs and lost energy when we vote for controls on strip mining or stiff environmental controls on offshore drilling. We can have the needed energy, we can create the jobs, and we can have a safe, clean environment by supporting energy conservation. Let me give a few examples of the conservation projects we have not even begun to develop:

Eleven percent of the natural gas consumed in the United States goes for pilot lights on our heaters, water heaters, and appliances. There are excellent electric pilot lights which use only a small fraction of the energy. It makes no difference to the consumer whether he has a gas pilot or an electric one, just as long as the stove goes on when he turns the knob and we could save all that energy by requiring that all pilots be electric.

Radial tires, aluminum construction, reduction of trunk space, and other structural changes can increase car mileage per gallon of gas by up to 57 percent. Reduction of essential driving is not necessary. We must instead improve auto fuel efficiency to cut gas consumption.

Some air-conditioners are vastly more efficient than are others. Requiring use of the more efficient ones can cut energy use in America by 1 percent.

You save another 1 percent by increasing efficiency of refrigerators and freezers.

Changes in building codes to require better insulation can cut energy consumption by 3 percent without making anyone's teeth chatter. Set the thermostat for what you wish, just build better walls. In New York City, they built two 110-story buildings called the World Trade Center. They have glass walls and the buildings are very poorly insulated. It uses more energy than a city of 70,000 people. And remember, that is just two buildings.

We throw away twice as much in America, per person, as do other developed countries. Reclaiming a portion of our refuse will save a great deal of energy. That doesn't mean that Americans have to save their cans and newspapers. It means the establishment of regional centers to which each locality ships its garbage and in which the reusable portions are extracted and the rest is burnt in place of oil to produce fuel. And such a program would cut our oil use by 3 percent, or 450,000 barrels a day.

Every sector of our economy is ripe for conservation. One statistic illustrates this fact: Sweden, West Germany, and Switzerland, with about the same level of per capita gross national product as the United States, use only 60 percent as much energy per person.

The Worldwatch paper asserts that those three European countries have not begun to approach their potential for energy conservation. The potential for conservation is there. What we need to have is the national will to carry out such a program. In doing so, we will incur the wrath of the oil companies. A conservation program would permanently cut energy demand—and the profits which the oil companies currently reap.

Conservation is truly one of the most promising avenues to explore as we endeavor to ease our energy needs. Clearly it is better to save a barrel than to buy one, and H.R. 14205 represents an important step toward that policy. This legislation, introduced by our distinguished majority leader, seeks to fill the gaps in national conservation policy which exist in present law.

This legislation does indeed have many excellent aspects. For low income persons, money is made available so that energy conservation measures, such as simple home insulation, can be implemented. Similarly, there are provisions in the bill to assist small businesses and homeowners in establishing approved energy conservation programs. Lighting and heat standards would be established so as to promote greater energy efficiency, and the legislation stipulates that "energy audits" must be included in each State plan, which would assess the costs and savings of conservation efforts. Since the bill is extensive and touches so many areas, a system for coordination of efforts is also provided for.

Possibly the most important aspect of the Omnibus Energy Conservation Act is the promotion of research in the field. This bill takes advantage of the expertise available at educational institutions by channeling it toward this very worthwhile goal of energy conservation. Such research should produce good information about ways of conserving power, and this can be an invaluable resource, especially to residential homeowners.

Conservation becomes increasingly important in this time of scarce resources. This legislation marks an important beginning, and its carefully planned use of resources represents a long-overdue step toward the building of a responsible national conservation program.

Mr. HARRINGTON. Mr. Speaker, in the chaos of uncertainty over the sources and availability of future energy supplies, a systematic and comprehensive program of energy conservation represents a tremendous potential resource. The case for energy conservation is compelling. More than one-half of current U.S. energy utilization is attributable to waste. This wastefulness can be stopped—and at no loss to the quality of American life.

The potential for conservation, even by the most conservative of estimates, is so great that the United States could meet all its energy needs for the next 25 years simply by improving the efficiency of existing uses. A policy of conservation means reduced dependency on foreign energy supplies and consequently, reduced vulnerability to the demands of foreign nations. More important, energy conservation represents a relatively safe and inexpensive, domestic energy source. Furthermore, current pressures to commit our resources to potentially dangerous, unproven technologies could be mitigated through the implementation of serious conservation measures.

Energy conservation is not so much a means of living without as it is a means of living better. The energy question emphasized should not be "How much energy do we have?" but rather, "How well are we using what we have?" In 1975, Americans wasted more fuel than that which was actually used by two-thirds of the world's population. Dennis Hayes of the Worldwatch Institute estimates that the United States annually consumes more than twice as much fuel as we require to maintain our present standard of living.

Consumers, commercial establishments and industry could save themselves money and the country energy by changing their consumption patterns or equipment. Energy savings could be made in a myriad of areas: Transportation, heating and cooling system for buildings, food systems, waste recovery and utilities to name just a few.

Transportation accounts for 42 percent of our energy consumption. Merely by increasing the mileage performance of individual vehicles, reducing the average vehicle size, and transferring half of the commuter traffic to efficient multiple passenger modes, we could slice our transportation energy consumption in half.

More stringent insulation standards on new buildings, a campaign to increase insulation in existing residential and commercial buildings, the use of solar heating and cooling techniques, and the adoption of solar water heaters could reduce our total energy budget by at least 16 percent over the next 25 years.

Extraction of potential energy from urban refuse, agricultural residue, feedlot waste and forest-product waste, recycling of wasted ferrous-metals and aluminum, the substitution of returnable bottles for most cans, and the elimination of superfluous packaging could together generate more than 4 percent of our current energy needs.

Utilities, with their available expertise, should be playing a major role in energy conservation programs. Unfortuately, many are not. With oil and gas reserves dwindling, we are increasingly forced to turn to electricity produced from coal and non-fossil sources as a substitute for direct combustion of fossil fuels. In addition, we should, as a matter of policy, attempt to keep electrical power rates as low as possible, both for the hardpressed low-income consumer and for industrial users as well. We need to eliminate wasteful uses of electricity, and more importantly, to use our generating capacity in the most efficient manner possible. Since long-term marginal costs are increasing, more efficient use of our plants can hold down the costs of power. This, in turn, will help stimulate economic growth. Publicly owned systems prove both cheapter to run and more aggressive in their approach to energy conservation.

International comparisons substantiate the contention that conservation does not mean deprivation. Sweden, West Germany, and Switzerland enjoy approximately the same per capita GNP as the United States—Sweden's is actually higher—while consuming only 60 percent as much per capita energy as we do—and they are not even approaching their full potential for energy thrift.

The energy crisis continues. It is an ongoing event which may become a way of life, failing implementation of a comprehensive energy conservation program and the development of alternative energy sources. Every potential long-range energy source has it costs and risks. The tradeoffs will grow as energy consumption rises. Today, our cheapest option and one which fortunately presents no added risk, is to harness that portion of our energy budget which is currently characterized by waste.

Mr. SYMINGTON. Mr. Speaker, this discussion on energy conservation sponsored by my colleague from Massachusetts (Mr. DRINAN) is especially timely. It comes on the heels of House approval of the authorization for the Energy Research and Development Administration, which included $202.5 million for energy conservation, $82.5 million above the administration's request for that budget item.

In addition, this discussion allows us to raise questions not just about energy conservation, but about the conservation of all materials on which our civilization has been built, but which are running short through improper management and a lack of national policy to deal with them.

On June 17, Congressman CHARLES MOSHER and I introduced the National Materials Policy, Research, and Organization Act, which is designed to promote some serious thinking about where we go from here with the remainder of the Earth's resources, including our energy reserves. What are we going to do with the stuff which still remains accessible to us and how can we best use it?

With respect to this bill, and especially to energy conservation, it is noteworthy that every commission, committee, group, study or other effort which has surveyed the materials and energy issues in the last 25 years has indicated the need for restraints, planning, and forethought on the use of our precious materials. Yet, no

Federal administration has every seriously considered a genuine policy to put restraints into effect.

It is each to see why. Policies which encourage restraints immediately come into conflict with the private enterprise concept and the production of things people like and have become accustomed to having. Such policies, therefore, are not likely to be popular and, politically speaking, are just plain bad medicine.

Up to this time, our system of government resists such restrictive ideas until confronted with a crisis, and even then, we tend to grasp at halfway measures. I am suggesting here that perhaps, as a Nation, we should adopt a new mood—one a bit more frugal and a bit less hedonistic than society has been prone to follow, especially in the past half century. If we do not, it seems likely that before too long we shall be confronted with a series of crises involving shortages, crises so severe as to defy any peaceful solution.

This is not a palatable thing to say or even to think about, and I do not like to say it. Unfortunately, I think it is true. I commend Mr. DRINAN for providing us with the opportunity today to focus on the importance of these questions which face us in the Congress, and I commend to my colleagues' attention the National Materials Policy, Research, and Organization Act.

THE HOUSE NEEDS REFORM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. ARCHER) is recognized for 10 minutes.

Mr. ARCHER. Mr. Speaker, the recent stories in the press, on the radio, and on television have raised some legitimate questions about the need for basic reform in the procedures of the U.S. House of Representatives. Typical of much of the press reaction, the Washington Star in an editorial Wednesday, June 16, 1976, posed the problem:

> If Congress is to regain the public's confidence, it has to demonstrate that it has the energy and determination to clean its own house.

Since I first came to the House, I have introduced various bills to reform our procedures and to increase the accountability of the Members of the House to the public. These changes would open our actions to closer public scrutiny and would help guard against the opportunities for abuse. It is unfortunate that only scandals and unfavorable press stories provide the impetus for a discussion of meaningful reform. The people are watching us and it is the responsibility of the Members of this legislative chamber to enact significant reforms.

One of the major steps we must take has been an action I have long advocated—a requirement that any increases in allowances for Member be voted on by the Members of the House, rather than the membership of the House Administration Committee. It was a mistake to give this power to the House Administration Committee. If there is a measure to raise our allowances, we should not hesitate of openly debating this measure on the House floor and we should be willing to record ourselves either for or against such a proposal on an open vote.

It is inconceivable to me that the group of House Members appointed to investigate payrolls and expense vouchers should consist only of Members of the majority party. I have joined as a sponsor of a proposal to create a bipartisan select committee of 10 members to study and audit all House committees. Only a bipartisan committee can gather the evidence and provide a thorough and objective investigation which will benefit the public interest.

Recently, I introduced House Resolution 1280 which would get the House of Representatives out of the restaurant business and provide that the operation of the food facilities on the House side be conducted by a private group on a contractual basis.

Today, I am introducing four measures designed to improve the fiscal and administrative operations of the House. Before I discuss the specifics of these proposals, I wish to provide a general discussion of the benefits the Members of Congress receive.

A Member of the House receives a salary and allowances for postage, hiring a staff—clerk-hire—office equipment in Washington, D.C., and the district office or offices, office space in the district as well as telephone and telegraph use in Washington and the district. Paul Dwyer of the Government Division of the Library of Congress in an excellent study of these allowances explains the operation as follows:

> Charges are made for each of the allowances that cannot be withdrawn in cash against a Member's allowance depending on use. Equipment, for example, is loaned to a Member and charged against an overall equipment value limitation. Member use of telephone and telegraph is charged in terms of units, with a maximum unit allowance. Any additional use, however, is charged to the Member's own resources.

There are certain allowances which fall into a different category such as travel for the Member and the stationery account allowance. These allowances can be withdrawn in cash or as needed by a Member. The amount of the allowances not spent for the stated purpose is subject to tax as income to the Member.

It is important to note how the funds are administered. The official book on "Regulations on Allowances and Expenses for Committees, Members, and Employees of the U.S. House of Representatives," issued by the Committee on House Administration, discusses the matter as follows:

> The contingency fund of the House of Representatives is that portion of the legislative branch appropriations set aside to pay certain costs of the administrative functions of the House.

Payments are made from the contingency fund upon vouchers which must be approved by the House Administration Committee. All unexpended appropriations for allowances—except for the stationery fund—remain in the contingency fund for a period of 2 years and then are turned over to the U.S. Treasury. The 2-year time period in the past has been justified as providing flexibility for vouchers which are turned in late.

The stationery fund is a special revolving fund. Each Member receives $6,500 for each regular session of Congress and the amount remaining in the account can be carried over from year to year, Congress to Congress.

Each 6 months the Clerk of the House publishes a document containing a statement of all amounts appropriated, received or expended, and any unexpended balances for this period. Each Member receives a monthly statement for his own use detailing the status of his allowances.

The four measures which I am introducing are necessary for better accountability to the public by House Members.

First, I propose changing the amount of time the unexpended allowances remain in the contingency fund from 2 years to 4 months. This shortened time should encourage greater efficiency in the financial operations of the House.

Second, I propose that any money spent from the contingency fund must have the approval of a majority of the House, not just the majority of the House Administration Committee.

Third, I propose that the monthly "Member's Allowance Statement" must be made available for public inspection during normal business hours in the office of the Clerk of the House of Representatives. It would better serve the public interest if we made available the monthly expenditures of each office rather than doing so at 6-month intervals.

Fourth, I propose that we end the revolving fund for the stationery allowance and put this account on the same status as other allowances—the amount remaining in this account at the end of a Congress would go into the contingency fund and could not be carried forward from one Congress to another Congress.

The existing arrangement of the stationery fund allows the Member of Congress to receive a "backdoor" salary increase during a session of Congress and/or upon retirement. I was greatly concerned that at the end of the 93d Congress, retired and defeated Members of Congress withdrew more than $193,300 from their stationery accounts. Thirteen Members withdrew over $5,000 with one Member receiving almost $24,000—all amounts above and beyond any pension to which they were entitled. By prohibiting the carryover of this fund from Congress to Congress, we can save the taxpayers money and eliminate this extra fringe benefit for retirees and defeated Members of the House.

Mr. Speaker, I encourage my fellow Members of the House to take action on these proposals to show the public that we are capable of reforming these practices and making ourselves more accountable to the public. It is time that we accept that challenge to clean our own House by making needed reforms now.

APPROPRIATIONS COMMITTEE COMMENDED FOR RESTORING FUNDS TO AGRICULTURAL CONSERVATION PROGRAM

The SPEAKER pro tempore. Under a previous order of the House, the gentle-

man from Tennessee (Mr. DUNCAN) is recognized for 10 minutes.

Mr. DUNCAN of Tennessee. Mr. Speaker, I am pleased to have this opportunity to commend the Appropriations Committee and this House for their diligence in restoring the funds for the Agricultural Conservation program to the appropriations bill which passed the House June 16. It is a program even more vital today as the U.S. Department of Agriculture pushes farmers to produce more and more to meet the needs of our Nation and the world.

The basic objectives of this program, Mr. Speaker, include the restoration and improvement of soil fertility, the reduction of erosion caused by wind and water, and the conservation of water and land. Both the committee and I appreciate the financial problems that we face today. I for one am also a strict believer in maintaining a tight and sensible budget. But I honestly cannot think of anything the USDA does which is more valuable than the objectives accomplished under the ACP. The ACP helps reduce pollution. It preserves the basic physical assets of this Nation. And it accomplishes these goals while the farmer provides at least half the cost plus his labor—allowing the taxpayer to get at least twice his money's worth in conservation carried out. As the committee duly noted in its report,

> In these times of large budget deficits and great financial pressure on our economy, we must increase our support for programs designed to protect our natural resources. In these times of damaging inflation and high unemployment, we must expand our efforts to preserve our land, reforest our hillsides and protect our sources of water supply. Only by maintaining our capacity to produce new wealth can we hope to continue to curb inflation, maintain our economy and keep our money supply tied to something of value.

Last year the Appropriations Committee did a great service to the ACP, to the farmers, and to the Nation by inserting language into their legislation which stipulated how the 1976 ACP should be carried out. This language essentially gave the program back to the farmers and the ASCS County Committees, and removed full control from the USDA here in Washington. The results of this move have been exemplified to me by the fact that the only complaint that I have heard involving the 1976 ACP has been the lack of funds. Counties in my district have received requests at a rate of up to three times the amount of funds they have available. It should be remembered too that many farmers do not sign up because they are aware that their requests are likely to be reduced or turned down due to the lack of funds. I am very pleased to note that the committee has kept this same language in their bill for the 1977 ACP.

Since 1935, we have planted about 7 billion trees, constructed over 2 million water impoundment reservoirs and treated hundreds of thousands of acres of land to reduce erosion. Certainly, we have accomplished an impressive amount of conservation during this period. Yet, our natural resources continue to deteriorate. The USDA estimates that we have already wasted over 40 percent of the fertile soil we had when this Nation began. They also estimate that we have remaining only about 30 percent of the original stands of timber that we had 200 years ago.

Obviously, conservation is a continuing battle that we must not forget, nor become complacent about. Our natural reserves must be protected, or else our ability to produce shall soon be irretrievably lost. We are today counting on the agricultural community—and thus the land—to not only feed this Nation, but also to save our balance of payments as we help feed the rest of the world. As we do so, it is mandatory that our Nation continue to invest in the protection of our land and its producing capacity, so that it can be preserved for the future. The Agricultural Conservation Program has been, and I hope shall continue to be, a way of doing exactly this.

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. PAUL) is recognized for 10 minutes.

Mr. PAUL. Mr. Speaker, I found it necessary to be absent on business on Friday, June 18. Had I been here, I would have voted as follows:

First. "Nay" on passage of H.R. 13179, the State Department Authorization Act. This bill authorized $1 billion for State Department expenses, included $233.1 million for the United Nations, $552 million for administrative expenses, $68 million for "educational exchange," and $122 million for other international conferences, organizations, and commissions. I find all of these sums to be much too large, and some ought to be reduced to zero.

Second. "Nay" on H.R. 13589, USIA Authorization Act, authorizing $262 million for propaganda purposes I realize that some may support this bill in the belief that the Voice of America is doing some good in strengthening the anti-Communist resolve of the people oppressed by Communist governments, but I do not believe that to be the case. Our announced and pursued policy of détente with the Communists, and therefore, anti-Communist messages, or messages appearing to be anti-Communist, are not broadcast or disseminated by the USIA. It would be more likely that pro-Communist messages—messages consistent with our policy of appeasement and accommodation—are being broadcast under the auspices of the USIA.

Third. "Nay" on H.R. 14239, appropriations for the Departments of State, Justice, Commerce, and the judiciary. This bill, in addition to the funds included for the United Nations and other international organizations, conferences, and commissions, includes funds for the Law Enforcement Assistance Administration, the Economic Development Administration, the Arms Control and Disarmament Agency, the Federal Trade Commission, and the Legal Services Corporation. I find all of these programs objectionable for many reasons, and therefore would have voted "nay" on this bill.

Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and that these remarks appear in the permanent RECORD.

REVIEW OF SOCIAL SECURITY PREMISES NEEDED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. COLLINS) is recognized for 15 minutes.

Mr. COLLINS. Mr. Speaker, recently we have been hearing of problems with ous social security system. These problems are urgent as it seems that the social security fund may go dry in a matter of a few years. I therefore strongly recommend a full Commission review of the premises on which social security is based. My remarks today may serve to highlight the situation which we face.

In 1942, after taxes and expenses, the average American family was able to save $767. For every $100 that family could afford to save, social security claimed $3.70. By 1950, savings had dropped, but social security took $20.40 of every $100 of savable income. By 1960, possible savings averaged only $320, but social security took $63.90 of each savable $100. In 1973, although savings possible for the average family income were up to $740, social security claimed an incredible $622 of available savable income. The opportunity for the average American family to save has been corroded practically to zero.

The social security system is so expansive that it covers virtually all but Federal and certain State and local employees; 32 million people—15 percent of our population—receive benefits. Yet social security is a failure compared to any private insurance fund. During the period 1964–74, social security costs had increased six times over the cost of private plans in the same period. More than one-half of all American taxpayers pay more into the fund that they pay IRS in personal income tax. In 1965, the maximum social security tax any worker paid was $174 per year. Presently it is $895. During the 20-year period of 1954–74, social security taxes grew 800 percent, which is 10 times the increase in cost of living for those years. The taxpayers' bill went from $5 billion to $40 billion, yet the average monthly benefit grew from $55 to only $140, less than one-third the tax rise.

Social security benefits are paid not in direct relation to the money invested, as with private insurance premiums, but by a formula based on an "average contribution" over the years plus the Federal Government's assessment of "need." Consider the following case which occurred in 1974. A man died of a heart attack at the age of 39. His wage at that time was $14,000 but the average income in which benefits were based came to only $6,600. His wife and two children were thus eligible for $425 a month as benefits—except for the fact that the widow earned $145 a week as a checkout clerk, thus raising her earnings above the allowable maximum. As a result, she ended up receiving only $220 a month in benefits. The taxes her husband had paid into the social security

fund would have covered a $100,000 life insurance policy very nicely. That money, conservatively invested in bonds, could have yielded the widow a $7,000 income for the rest of her life. The fact is that today it is possible to pay more than $14,000 in social security taxes without being eligible for any benefits at all.

Social security's gravest problem, however, is that under present payments it cannot stay solvent. The sytem is based on the theory that each succeeding generation pays for the earlier one. Unfortunately, if the cost of living soars, or if the number of social security taxpayers drops, or the beneficiary population continues to increase, the fund goes dry. All of these things are happening so the crisis is now.

In fiscal year 1969, 22 percent of our Federal budget came from social security payments. Twenty-five percent of the burget went to pay out benefits. In fiscal year 1975, 28 percent of revenues came from social security taxes, while 37 percent went out in benefits. Fund reserves right now are only $44 billion.

In 1972, Congress tied benefits to the Consumer Price Index, which means plunging deeper into the reserve fund. Just in the 1970's benefits have increased by over 70 percent, far in excess of the rise in cost of living. A look at the situation at home will illustrate the trend.

In Texas between the years of 1965 and 1975, old age and survivorship benefits increased four times. Benefits for disabled workers and their dependents increased by five and a half times. Total benefits paid in Dallas County increased on the same scale—four times. Yet the numbers of those receiving benefits, both for Dallas County and Texas as a whole, only doubled in those 10 years, which means the average recipient is now receiving twice as much. The rate of increase is also going up. In 1955, the average man retiring at 65 collected $66.44 a month in benefits. In 1965, he collected $92.59. In 1975, he collected $227.75 for a 10-year increase of 138 percent.

At the same time, the ratio of workers to beneficiaries is falling. In 1945 there were 42.2 workers paying social security taxes for every beneficiary. In 1960 the ratio was 5 to 1. Currently it is 3.2 to 1. And with increasing life expectancy we will have more elderly Americans collecting longer. Women, with their increasing job participation and 7-year longer life expectancy over men, presently outnumber men as beneficiaries 8 to 5.

It is predicted that the latest social security tax increase will keep the system going for only 3 more years. The long-range prognosis for the system is grim. The goals of the Social Security Administration are laudable and its achievements in the past in bringing financial security to the elderly have been considerable. Presently social security is being handicapped by congressional actions where the liberal majority bases decisions on politics and not on necessity.

We in Congress should be encouraging greater opportunities for each citizen to provide his own personal retirement plan with the social security funds now coming out of his paycheck.

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. SARASIN) is recognized for 5 minutes.

Mr. SARASIN. Mr. Speaker, on June 18, 1976, I was absent from Washington for part of the legislative afternoon as I was returning to Connecticut to address the 10th Annual Conference of the Connecticut State Employees Association at the Alumni Center, University of Connecticut, Storrs Campus. Had I been present, I would have voted in the following fashion:

Rollcall No. 411—A motion to recommit H.R. 14239, State, Justice, Commerce, and the Judiciary appropriations measure to the Committee on Appropriations with instructions to report it back forthwith containing an amendment that proposed a 5-percent reduction in new obligational authority, and not more than 10 percent in nonobligated authority, "nay"; and

Rollcall No. 412—H.R. 14239: State, Justice, Commerce, and the Judiciary appropriations, final passage, "yea."

KEEPING THE AMERICAN DREAM FROM BECOMING A NIGHTMARE

The SPEAKER pro tempore. Under a previous order of the House the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, when I drive through the new neighborhoods I see springing up in all parts of this country I am glad that so many young families appear to be finding the means to build a house despite high increases in building costs from year to year.

After all, owning a home has always been the center of the American dream. I am afrad, however, that what may start out as a dream often turns into a nightmare when the costly new home wears out in 30 months, not 30 years, and a $40,000 mortgage still has several hundred payments due on it.

A great part of the answer appears to lie in putting construction costs back in their proper balance. Thirty years ago the relative costs of building materials were a mere one-fifth of what they are now. Today, synthetics have brought with them a whole gamut of mixed blessings and headaches and until we find a technology that will produce cheaper building materials which will hold up, we will be paying high prices for inferior housing.

I must leave the technology problem to those more informed and able than I in those fields, but as a long-time member of the Banking Committee, I have been looking into the problem from the perspective of home financing—especially by savings and loans. Two suggestions emerge: A tax credit for savings deposits and an interest rate subsidy program similar to the Federal Government's student guaranteed loan program.

I am sure I do not have to explain the impact that a housing industry as inflated as ours can have on our vulnerable economy. And because the housing industry itself is plagued by fluctuations in the economy, the savings and loans have not been able to provide as effective mortgage service to homebuyers, especially in the middle-income brackets, as they were designed to do.

Nevertheless, savings and loans are the most common mechanism for providing home lending moneys in this country. Last year, nearly 1 million homes—three-fourth of all housing starts—were financed by savings and loans. In short, the industry provides more mortgage financing than the rest of the mortgage financing industry combined.

Despite these facts though, the savings and loans are coming under increasing criticism on several fronts. The industry has been hit hard by unstable financial times and several times, disintermediation has been so severe that Congress was being asked to provide help in solving the problem. It has even been suggested that one of the answers is to allow savings and loans to go into consumer loans even on a personal signature basis and offer checking accounts.

Although I favor checking accounts for savings and loans, I do not want to see the savings and loan industry turned into just another group of financial institutions. In my view, the best answer to all of the problems the savings and loan industry has is to make them strong, viable and important home lending institutions.

The first thing that is needed is a uniform and adequate flow of savings into the savings and loan associations. It does no good to have millions of dollars in excess funds at a time when there is little mortgage demand without a supply of lendable funds.

To achieve an adequate pool of mortgage money we should establish a tax credit for interest received on savings accounts. Such a credit came very close to enactment during the last Congress but in the final conference committee the tax credit provision was stricken from the tax reform package. I have sponsored savings tax legislation for the last three Congresses and I am convinced even more now that we must have this type of incentive in order to maintain an adequate flow of mortgage funds.

If the first thousand dollars of dividends from savings accounts were tax exempt, there would be an immediate and major injection of mortgage funds, and of course with the quarter of one percent differential statutorily granted to savings and loans, a majority of the savings account money would be channeled in the direction of the savings and loans.

It is no secret that the homebuilding industry is responsible for creating millions of jobs and for every dollar that is invested in a home mortgage, hundreds of dollars are returned to the economy in the forms of new jobs, new purchasing power, and new tax revenue.

If one looks at the economic history of this country, it becomes obvious that during every period of prosperity we have had a strong homebuilding industry and during every recessionary cycle the homebuilding industry has been in a low state. I do not know if this is exactly an example of the chicken and egg theory but whether or not housing problems are

responsible for recessions or vice versa is really not that important. What is important is the two travel together and I would rather see them travel the high road than the low road.

The savings account tax deduction would be available to everyone and there, of course, would be a maximum on the amount of deduction so that the provision could not be used to avoid paying legitimate taxes. While people of moderate income might not have as much money to place in savings accounts as the more wealthy and, thus, would not get as large a tax break, it must be pointed out that it is the moderate-income families that are faced with the major housing shortage problem. So even though this economic group might not get the largest tax benefit, it would be the largest beneficiary of an increased housing and mortgage inventory.

Once there is enough money in the industry to overcome disintermediation and other similar problems, there must be a way designed to make certain the money is used.

A savings and loan with millions of dollars in mortgage funds but without customers for that money has just as many problems as an institution with customers but no funds. In many areas we are facing a problem of too much money and too little loan demands. This is true because mortgage interest rates are higher than the average family feels it can afford.

It would be a simple matter to reduce the mortgage interest rate but then of course, there would have to be a corresponding reduction in the amount of interest paid to savers. Unless, of course, you want to do business like the not-too-smart savings and loan manager who paid 5 percent to his savers and then lent the money out on home purchase loans at 5 percent without charging any points or other fee. After a year of doing this the manager could not figure out why he was not making any money so he called in his brother-in-law who was even less endowed with brains and asked him to look over the situation. After several weeks of studying the problems the brother-in-law announced proudly one day that he had solved the problem. All the manager had to do to make the business profitable was to double the amount of loans that he was making.

But reducing interest rates for savers is far more complicated and more serious than a joking matter. It involves a long-term educational process with savers and it must also be accompanied by a general across-the-board reduction in all other investments. If not, then disintermediation will step right back into the picture. I wonder though if a savings institution announced that it was cutting its home mortgage rate a substantial percentage and at the same time was cutting the interest it paid to savers an equal amount if the home buying public would put money into that institution knowing it would be a good place to borrow money.

It would be a noble experiment and since we are spending millions of dollars a year on housing subsidy programs and pilot projects in the financial field, I see no reason why the Federal Government could not underwrite such a program by guaranteeing to cover the spread in the event that not enough money flowed into the association.

Or as an alternative, why not a direct subsidy of interest rates for low- and moderate-income housing such as that used in the student loan program? Under that program the borrower pays 7 percent interest provided he or she meets certain income tests and the Government pays the difference between the 7 percent and current market rates. The differential is established each quarter and is paid on all loans in the financial institutions portfolio at that time.

We have a large number of subsidy programs available for low-income housing and a limited number to middle-income areas. But none would work as quickly and as effectively as a direct subsidy of the interest rates. I do not envision this as a long-term program since it would only need to be operated until savings rates could be brought back to a realistic level and that must happen if we are to maintain a home mortgage industry.

Certainly the ads offering high interest rates on savings accounts are very enticing to the American saver and they do put extra pennies in the savers' pocketbook. But you cannot have it both ways. You cannot get a high rate for your savings and a low rate for your home mortgage. Unfortunately, in too many cases were are not talking about the same person when we consider the saver and the borrower. But there are enough people who fall into both categories to at least begin a program of cutting rates in both areas.

TITLE XX REVISIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. RANGEL) is recognized for 15 minutes.

Mr. RANGEL. Mr. Speaker, on Friday, June 11, the Subcommittee on Public Assistance of the House Ways and Means Committee, of which I am a member, continued its hearings on H.R. 12175, the administration's proposed revision of title XX of the Social Security Act, dealing with delivery of social services. During the course of the hearings last Friday, testimony was presented by Msgr. Lawrence J. Corcoran, Executive Director of the National Conference of Catholic Charities, and Mr. Karl Zuckerman, Government Relations Consultant to the Federation of Jewish Philanthropies of New York, and representing the Council of Jewish Federations and Welfare Funds.

The concise and straightforward observations made by the outstanding representatives of these two major religious groups made an important contribution to the work of our committee in our deliberations on the pending legislation on social services delivery.

I was extremely impressed that these two large religious organizations could deliver their important testimony jointly, obviously having worked closely together in its development. It is my fervent hope that they will continue their splendid cooperation together, and that this cooperation will serve as an example for their own lay and professional leadership back in churches and synagogues, neighborhoods and precincts throughout the country. In this way, we can stimulate the very kind of helpful assistance that Monsignor Corcoran and Mr. Zuckerman provided on behalf of their respective national groups last Friday. I recommend this testimony to all of my colleagues, since it elucidates so well the shortcomings and strengths of the administration's proposed revisions of title XX. The testimony is as follows:

THE APPROPRIATE FEDERAL ROLE IN THE SOCIAL SERVICES

(Testimony on H.R. 12175, the Administration's Proposed Amendments to Title XX of the Social Security Act, by Rev. Msgr. Lawrence J. Corcoran, Executive Director, National Conference of Catholic Charities; and Mr. Karl Zuckerman, Government Relations Consultant, Federation of Jewish Philanthropies of New York, and representing the Council of Jewish Federations and Welfare Funds)

Mr. Chairman and distinguished members of the Public Assistance Subcommittee, I am Monsignor Lawrence J. Corcoran, Executive Director of the National Conference of Catholic Charities, and this is Mr. Karl Zuckerman, representing The Council of Jewish Federations and Welfare Funds. The National Conference of Catholic Charities coordinates the Catholic Charities Movement and serves 868 agencies and institutions providing human services in the 50 States and the District of Columbia. Catholic Charities is, perhaps, the largest voluntary sector provider of social services in the country.

The Council of Jewish Federations and Welfare Funds is an umbrella organization for 215 Jewish Federations and Welfare Funds and over 600 affiliated agencies which provide a wide range of social services in over 800 communities throughout the United States. Mr. Zuckerman is the Government Relations Consultant with the Federation of Jewish Philanthropies of New York, the largest of the Council's constituent organizations, and he is speaking for the Council as one of its most knowledgeable experts in the social services field. We appreciate the opportunity to appear before the Subcommittee on a matter of great importance to both of our organizations.

In his testimony on the Administration's proposed amendments to Title XX a few weeks ago, HEW Secretary Matthews indicated that Title XX does not adequately resolve "issues of States' rights and responsibilities versus the most appropriate Federal role." The Administration apparently feels that Congress left these questions up in the air when Title XX was passed in December, 1974. The Administration's own answer, now, as opposed to two years ago when it was a party to the development of Title XX and supported it, is indicated in the Title to H.R. 12175: "Federal Assistance for Community Services Act." The Administration evidently feels there is no Federal responsibility except to provide money to the States. This answer is far too simple, and because of it, we find ourselves in substantial opposition to H.R. 12175.

Apart from the still unresolved problems of extending group eligibility for group services in selected situations, and the dispute over appropriate day care standards, we are in substantial agreement with Title XX as it now stands. Indeed, most of the problems

that have come to our attention stem from: (1) overregulation of the program by the Department of HEW that is now being corrected by new agency rule making; (2) a lack of sufficient program funds to meet the social service needs of our citizens in an increasing number of States; and, (3) a tendency on the part of some States not to engage in genuine planning with the voluntary sector and the citizenry, or to freeze the traditional non-profit providers out of what has been an ingenuous pluralism in providing the human services in our country.

Our agencies provide services to meet human suffering and need out of a conviction in the Catholic and Jewish communities that this is an important part of our contribution to the national life and the public good. We feel it is vital, not for the self-interest of our agencies, but vital for the country and the quality of services, that this nation's social service delivery system be maintained as a pluralistic one. We were instrumental in introducing the purchase of service concept and feel strongly about its maintenance in so far as non-profit providers of human services are concerned.

Because of our commitment to the common good, we continually examine the most appropriate roles of the States and the Federal government and the most appropriate distribution of limited dollars. Our negative judgment on H.R. 12175 results from our view that there is an important Federal role in the social services beyond distribution of money to the States. Indeed, the most logical extension of the Administration's thinking would lead towards general revenue sharing legislation, and there is ample documentation that the massive infusion of Federal dollars into that program has not been focused at all on those who are poor or on those who are in need of social services.

Before we review our objections to H.R. 12175, we would like to call attention to three excellent provisions in that piece of legislation which we believe the Subcommittee should adopt.

First, in Section 104, the Administration would establish an entitlement for Puerto Rico, Guam, and the Virgin Islands—a modest total of $16 million—on top of the present $2.5 billion ceiling. This is a good and just suggestion, because at present, Puerto Rico, Guam, and the Virgin Islands are only provided with money if the States have not used it all up. Surely there is a clear Federal responsibility for the Commonwealth and the Territories.

Second, in its amendments to the State planning process, in Section 118 (b) and (c), the Administration would require that the State Title XX agency consult with local entities of government and the private agencies, and also summarize and report on the disposition made of the comments submitted by the public and by agencies concerning the State plan and amendments to the plan. This is an excellent suggestion which would strengthen the planning process. At the same time, we should note that in Section 117, the Administration would give the Secretary of HEW authority to waive the time period specified for the planning process. In our view, the certainty of these periods is important to public involvement in the planning process, and therefore we oppose the proposed Section 117, which would weaken this vital process.

Third, the Administration proposes in Section 107 a reasonable solution to the problem of group eligibility. We feel it is important to reduce, wherever possible, the administrative and emotional burden of determining individual eligibility for social services.

We also agree with Section 107's repeal of the current requirement that the State charge a fee for Title XX services offered to an individual who is a member of a family with a monthly gross income of greater than 80% of the State (or National) median income. We therefore feel that the group eligibility and fee requirement repeal provisions of Section 107 should be added to Title XX.

Now, however, we come to our disagreements with the Administration:

We believe that the requirement for State matching funds should be maintained. Our agencies tell us of their concern that the absence of the State matching requirement will reduce their input in the development of state plans since funds donated by private non-profit organizations will no longer be useful in contributing to a State's matching share of Title XX expenses. More importantly, a repeal of the State matching requirement could easily reduce the total funds available for Title XX services from a potential $3.3 billion (Federal share plus State match) to $2.5 billion. Especially in those States currently at, or near, their Title XX ceiling, the lack of a State match requirement, in conjunction with the inadvisable removal of the maintenance of effort requirement as proposed in Section 113, will likely result in pressure on State governments to solve budgetary problems by reallocating State money previously spent on social services to completely unrelated areas. If this occurs, the amount of money spent on social services will inevitably decrease.

We believe it is inappropriate to include training monies under the Title XX ceiling, especially when the ceiling is obviously going to be inadequate. At a time when the delivery of social services is becoming an increasingly important part of human care in the United States, it is essential that adequate personnel training be available to successfully implement the social services delivery system. Training funds should not be taken from the limited allocations which should be going to the services themselves. The "hold harmless" provision, over FY 1976, in the Administration bill does not make this amendment any better, and indeed may be meaningless in view of projected spending in FY 1977.

We disagree with the Administration's amendments that would drop Federal responsibility for day care standards. While our agencies do not all agree at present on what the most appropriate standards should be, they almost universally want them to be Federal sandards. Indeed, a survey of the great variations in State standards points to the problem. Surely this is not the time to abandon Federal standards as the objective, when HEW is in mid-stream of the study it asked to conduct on appropriate day care standards. We have agreed not to oppose the provisions of the pending Senate version of H.R. 12455 which would set aside the enforcement of the staffing ratios for children under age six until HEW's Appropriateness Study has been completed.

Unlike the Administration, we believe that with the Federal dollar there should be Federal responsibility for approval and audit of the State plans and expenditures under the program. The Administration's amendments substantially weaken Federal responsibility in this regard. We believe there should be at least as much in the way of Federal approval and audit requirements as is presently mandated by Title XX. Indeed, we do not yet have sufficient experience under Title XX to know whether there are sufficient requirements for Federal approval in the Act. Our agencies, most of whom have relationships with the State agencies, seem to feel alike on this point.

Congress, in enacting Title XX, was very clear that the program was to enable States to furnish services directed at five broad goals, only one of which was the goal of achieving and maintaining economic support. We agree with that broad formulation of goals, though we would hope at some time Congress would single out more sharply the goal of strengthening family life. However, the Administration in H.R. 12175, proposes to go the other way and focus largely on the self-support goal. To do this, the bill proposes that 75% of the funds be targeted for services to AFDC, SSI, and Medicaid recipients or eligibles (many of whom are incapable of self-support), and to individuals below the Orshansky-OMB Poverty Line.

The Orshansky Poverty Line at present is $5,500 for a family of four, sharply below the 80% of State median income in all the states which is one of the eligibility demarcations in the present law. For example, 80% of the median income for a family of four in Mississippi in FY 1977 is $9,250, and in California it is $12,745. It is clear that the OMB Poverty Line cut-off (which is even much lower than the Lower Living Standard as computed by the Bureau of Labor Statistics—at present $9,588 for a family of four) would eliminate many people presently eligible to receive needed services from having these needs met.

Even beyond our opposition to the Administration's proposed income demarcations, we feel the focus of Title XX on the five broad goals should be maintained. Problems which result from the need for specialized social services do not respect the poverty line or the income scale. We would generally favor a relaxation of means tested barriers to the social services, but in the present context of a shortage of funds and a $2.5 billion ceiling, we feel the 50% categorical focus in the Act provides a reasonable required focus on the needs of those on fixed or limited incomes and on the self-support goal.

In addition to its proposed requirement that 75% of the funds be targeted on categorical recipients and those below the poverty line, the Administration, in Section 119, proposes to repeal the Congressional requirement that the States provide at least one service to each of the five broad goals and at least three services to recipients of SSI. We think the Congressional requirement is a sensible one, and should be retained, or the States will be able to limit too easily their services to a few narrow goals, far short of the needs of their citizens. It is important that States be required to offer services directed to all five Title XX goals.

In several sections of H.R. 12175, the Administration proposes removing restrictions on the use of Title XX monies which we believe the Congress legislated wisely. Section 108 would remove the restrictions in the Act on the use of funds for medical and remedial care and room and board. This seems to us an invitation to the States to refinance programs presently funded by a mix of other Federal programs requiring a larger State match. Section 112 would repeal the present prohibition against using Title XX funds to pay for a service presently eligible for payment under Medicare. Again, this could reduce the amount of Title XX money available as States are able to replace the State funds for Medicare by Title XX money. Section 110 would permit the States to use Title XX funds for education costs presently picked up by the State in the normal funding and administration of public education, and could, if adopted, provide another major drain on limited social service funds. It would be easy, for example, for a State to use most of its Title XX allocation to support public schooling of children under the poverty line.

State money previously used for this purpose could be used for other unrelated matters, or simply used to balance a State's budget, while little money would remain for the provision of social services. We oppose all three of these Administration proposals,

and feel that the present restrictions in the Act should be maintained.

In general, we do not feel this is the time for any major modification in the basic structure of the social services Title. We need more experience with the program than we have under our belts to date; not a single year's program has yet been completed under Title XX. In addition, we oppose the thrust and direction of the Administration bill which would prove extremely detrimental to this nation's social service delivery system.

We do, however, favor some adjustments in the Act, including: a temporary resolution on the matter of day care until the Appropriateness Study is completed and Congress legislates on day care standards; satisfactory resolution of the group eligibility question as proposed in H.R. 12175, and; as the Administration has also suggested, a permanent allocation for Puerto Rico, Guam, and the Virgin Islands above the $2.5 billion ceiling. We also favor the provision of H.R. 12175 which would require the States to consult with subsidiary entities of government and with private agencies in the development of the State services plan.

In further adjustments, we would urge the Subcommittee to remove from the Secretary the authority in the present Act to permit the States to charge fees to categorical recipients and recipients below 80% of the median income. The Secretary has permitted the States to levy such charges, and a number of them have done so. We do not feel that those of our citizens who have inadequate income should be charged fees for services that could make their lives more liveable and enable them to make a fuller contribution to society.

Finally, we would urge the Subcommittee to make a reasonable adjustment of the spending ceiling under Title XX. Real dollar expenditures for social services under the Act declined significantly in many States since the imposition of the ceiling. Extraordinary inflation has eaten into dollar restrictions that were already too low to meet the needs in many States. At least, we would hope the Subcommittee would act at this time to index the Title XX program to increases in the cost of living so that citizens needing such services will not find their needs met to a decreasing degree as the years go on.

We thank you for giving us the opportunity to testify on this program of great national importance, and we urge the Subcommittee to maintain the viability of Title XX by rejecting the provisions in H.R. 12175 that would severely impede the implementation of a successful social service delivery system in the United States.

ACTS ADOPTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA AND TRANSMITTED TO THE SPEAKER, MARCH 29 TO JUNE 10, 1976

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. DIGGS) is recognized for 5 minutes.

Mr. DIGGS. Mr. Speaker, the Council of the District of Columbia has adopted a number of acts since last I reported to the House in the CONGRESSIONAL RECORD of March 23, 1976.

The House Committee on the District of Columbia has in its files Council committee reports and copies of acts, if Members desire further information.

The Council acts are listed below:

ACTS ADOPTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, AND WHERE NECESSARY TRANSMITTED TO THE SPEAKER OF THE HOUSE OF REPRESENTATIVES BETWEEN MARCH 29, 1976, AND JUNE 10, 1976

Act 1–95. Applications Insurance Implementation Act. To implement the D.C. Flood Insurance Program (Emergency Act No. 1–60) to qualify the District to participate in the National Flood Control Program (42 U.S.C., Secs. 4001–27); to provide a permanent amendment to the city's building code; and to provide insurance to apartment dwellers and to owners of homes and commercial establishments. Adopted by the Council on February 24, 1976. Signed by the Mayor, March 19, 1976. Transmitted to the Speaker, March 29, 1976.

Act. 1–97. Legislative Privilege Act of 1975. To (1) provide immunity to District Council members with regard to conduct during the course of legislation duties, and (2) create a criminal offense and penalty facts directed at obstructing the progress of a Council proceeding or investigation. Adopted by the Council on February 24, 1976. Signed by the Mayor, March 22, 1976. Transmitted to the Speaker, April 7, 1976.

Act 1–98. Boxing and Wrestling Commission Nominee Confirmation Procedure Act. To provide for additional time, by amending D.C. Law 1–20, to allow a 90-day period for Council action on Mayoral appointments to the Commission, rather than the 30-day period authorized in the law. Adopted by the Council on February 24, 1976. No action taken by the Mayor. Transmitted to the Speaker, April 8, 1976.

Act 1–102. Criminal Justice Act Authorization Extension Act. To amend the D.C. Criminal Justice Act of 1974 (D.C. Code, Title 11, Sec. 2608) to extend indefinitely the authorization of appropriations for defense counsel to indigent defendants in local criminal cases. Adopted by the Council March 9, 1976. Signed by the Mayor, March 29, 1976. Transmitted to the Speaker, April 19, 1976.

Act 1–104. Metro Transit Police Force Act of 1975. To grant the consent of the District of Columbia to amend the Washington Metropolitan Area Transit Regulation Compact to authorize WMATA (1) to establish and maintain a Metro Transit Police Force, and (2) to enter into mutual aid agreements with the various jurisdictions within the transit zone. (This to be in lieu of Congressional consent provided by H.R. 8719 passed by the House on July 28, 1975, but not acted upon by the Senate.) Adopted by the Council on March 9, 1976. Signed by the Mayor on April 1, 1976. Transmitted to the Speaker, April 12, 1976.

Act 1–105. Child Labor Amendments of 1976. To amend the Act regulating the employment of minors within the District (Act of May 28, 1928; D.C. Code, Title 36, Sec. 201 et seq.) to update and implement the District's child labor laws and to assure uniformity by ages and sex in hours of employment and types of occupation. Adopted by the Council on March 9, 1976. Signed by the Mayor on April 5, 1976. Transmitted to the Speaker on April 14, 1976.

Act 1–106. Revenue Act of 1976. To provide additional revenue for the District of Columbia. Adopted by the Council on April 6, 1976. Signed by the Mayor on April 20, 1976. Transmitted to the Speaker April 23, 1976.

Act 1–107. Cooperative Conversion Moratorium Act. To amend the D.C. Cooperative Association Act (D.C. Code, Title 29, Sec. 801 et seq.) to restrict for 6 months the formation of any cooperative association in the District for the purposes of owning and operating a multi-family housing accommodation, with authority to the Mayor to grant exemptions in specified cases. Adopted by the Council on March 23, 1976. Signed by the Mayor on April 22, 1976. Transmitted to the Speaker, April 30, 1976.

Act 1–108. Establish Single-Member Districts Within Advisory Neighborhood Council Areas. To permit, pursuant to Advisory Neighborhood Councils Act of 1975, single member districts in areas not yet established by resolution of the Council. Adopted by the Council on March 23, 1976. Signed by the Mayor on April 26, 1976. Transmitted to the Speaker, April 30, 1976.

Act 1–109. Police and Fireman's Salary Act Amendments of 1975. To amend the D.C. Police and Firemen's Salary Act of 1958 (D.C. Code, Title 4, Sec. 4–823(a) et seq.) to provide a 6% pay increase retroactive to Oct. 1, 1975. Adopted by the Council on March 23, 1976. Returned without signature by the Mayor on April 27, 1976. Transmitted to the Speaker, April 30, 1976.

Act 1–113. Standards of Assistance for Public Assistance Applicants and Recipients. To amend and reenact Council Regulation 74–42 (approved by the appointed Council on September 12, 1972) to establish and apply standards of assistance, based on February, 1973, cost of living index, for public assistance applicants and recipients. Adopted by the Council on April 20, 1976. Signed by the Mayor on May 10, 1976. Transmitted to the Speaker on May 14, 1976.

Act 1–116. Age of Majority. To establish the age of majority at 18 and stop discrimination on account of age, sex and marital status against persons who have reached 18. Adopted by the Council on April 20, 1976. Signed by the Mayor on May 14, 1976. Transmitted to the Speaker on May 21, 1976.

Act 1–118. Consumer Protection Procedures. To provide consumers in the District with procedures for redress of improper trade practices; abolish Office of Consumer Affairs and establish Office of Consumer Protection. Adopted by the Council on April 20, 1976. Signed by the Mayor on May 14, 1976. Transmitted to the Speaker on May 21, 1976.

Act 1–120. Corporate and Unincorporated Business Franchise Surtax. To amend D.C. Income and Franchise Tax Act of 1974 (D.C. Code, Title. 47, Sec. 1571a) and place a 10% surtax (or a total 9.9% rate) on and after January 1, 1976, on corporations and unincorporated businesses. Adopted by the Council on April 20, 1976. Signed by the Mayor on May 18, 1976. Transmitted to the Speaker on May 25, 1976.

Act 1–130. Interest Rate Extension. To amend Council Regulation 74–21 (enacted Aug. 1, 1974) an dextend for 2 additional years interest rates on certain loans. Adopted by the Council on May 18, 1976. Signed by the Mayor on May 20, 1976. Transmitted to the Speaker on June 8, 1976.

LEGISLATION FOR FERRY SERVICE DEMONSTRATION PROJECT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. HOWARD) is recognized for 5 minutes.

Mr. HOWARD. Mr. Speaker, 4 years ago I rose in support of legislation to establish the Gateway National Recreation Area. At the time, I had one objection to the conference report on Gateway: There was no provision for the establishment of waterborne transportation, specifically ferry service to the park's four units.

Much progress has been made on Gateway development since 1972. The park has been in actual operation 2 years during which time 12 million people have visited and enjoyed the recreational and scenic attractions. But the major transportation problem still remains. That problem threatens the realization of the very goals for which the park was established: preserving the area's unique natural beaches and bays while giving large numbers of people access to high-intensity, multiuse facilities.

Today I am introducing in the House—and Senator HARRISON A. WILLIAMS in the Senate—legislation that would direct the Urban Mass Transportation Administration to initiate a mass transportation demonstration project for passenger

ferry access to the Sandy Hook unit of Gateway National Recreation Area. Such service would be provided between Jersey City, N.J., and Sandy Hook, N.J., and between Keyport, N.J., and Sandy Hook.

As the Representative of the area in which this section of Gateway has been established, I am acutely aware of the traffic problem created by summer visitors enroute to Sandy Hook. Bumper-to-bumper automobiles on Route 36 not only pose a serious environmental threat to the bayshore area, but deprive area residents of access to and from their own properties. Tempers flare, cars stall, and the ensuing chaos presents a grave safety hazard for visitors and residents alike.

Seven months ago, the Monmouth County Planning Board went on record as opposing any further expension of the facilities at the Sandy Hook Unit of Gateway National Park until such time as the access problems in the vicinity of the park are alleviated. Two months ago, a Monmouth County Freeholder was in my office pleading for help in handling the 250,000 visitors who will be heading for Sandy Hook on July 4th for Operation Sail. Normal day visitors combined with Operation Sail spectators are expected to create the grandest traffic jam New Jersey has ever seen.

Waterborne transportation is vital to Sandy Hook—the least accessible unit of all the units in the Gateway Recreation Area. There is no mass transportation to Sandy Hook and at least 98 percent of all visitors arrive by car. Route 36, which had severe traffic problems before the park's establishment, is greatly overloaded with cars during the summer. It is estimated that by 1990, the number of automobiles enroute to Sandy Hook will exceed the capacity of the route by 200 percent.

By establishing this demonstration project, we will be able to study the effectiveness of the ferry form of transportation in alleviating traffic congestion and environmental pollution. We may find it feasible eventually to employ a ferry system connecting all units of the Gateway National Recreation Area.

I hope this important legislation meets with speedy success.

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. AMBRO) is recognized for 5 minutes.

Mr. AMBRO. Mr. Speaker, earlier this afternoon, the House of Representatives passed seven bills under a suspension of the rules, two of which have an important effect on the lives of our millions of veterans and veterans' survivors. I sincerely regret that I was unavoidably detained in New York on official business, and, therefore, was not able to be present earlier to cast my votes on these matters. Had I been in attendance, I would have voted "yes" on each of these six suspensions of the rules.

I am particularly distressed at not being here to personally lend my support to H.R. 14299, the Veterans Disability Compensation and Survivors Benefits Act, and H.R. 14298, the Veterans and Survivors Pension Adjustment Act, inasmuch as I have been a longtime advocate of these increased benefits for those who served their Nation so well in our armed services. Indeed, I voted to amend the budget resolution to allow for this sorely needed and richly deserved increase in benefits.

LEGISLATION NEEDED TO ALLOW THE ELDERLY MEDICAL EXPENSE DEDUCTIONS WITHOUT LIMITATION

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, I am today introducing a bill to amend the Internal Revenue Code to allow the medical expense deduction to an individual whether or not the individual itemizes his deduction and to eliminate the 1-percent floor for medicine and drugs and the 3-percent floor on medical expenses for persons 65 years of age and over.

The main purpose of this bill is to allow persons 65 years of age or older essentially the same tax deductions they had prior to the Social Security Amendments of 1965. Prior to that time persons 65 years or older were allowed to deduct medicine and drug expenses and all medical and dental expenses without regard to the 1-percent limitation for drugs or the 3-percent limitation for all medical and dental expenses which applied to all other taxpayers. When the special provisions for older persons were repealed in 1965 the reasoning was that the broad coverage health insurance provisions of the medicare legislation would relieve older people of the heavy financial burden of medical expenses. At that time the reasons for the special medical relief of older taxpayers no longer appeared to exist.

But this has not proven to be true. For one thing neither Part A nor Part B of medicare cover long-term illness or preventive health services. Nor are medicine and drug costs reimbursable. Medicare was never intended to be comprehensive, but was enacted because private health insurance was paying too small a portion of health bills for the elderly. Since medicare's inception in 1966, however, the program has paid a progressively smaller share of the elderly's medical bills. This trend has been caused by both the general inflation in the cost of health care and the rise in medicare recipients' payment obligations—increased deductible amounts and copayments where applicable. Elderly persons who are not eligible for medicaid have nowhere to turn but private coverage which does not offer complete health care coverage either. Nor is the medicaid recipient better off, particularly in areas of preventive health care.

Further, the health care expenses of the elderly are higher than those of the general population. In 1966, when medicare was enacted, the aged needed more than twice the health care of persons under 65, costing them, after public and private third-party payments were accounted for, a per capita average of $237 a year out of pocket. In 1974, the needs of the elderly were the same in relation to the rest of the population but health cost inflation had pushed their out-of-pocket costs to $415, up 75 percent. In 1975, this figure was $392, still up 65 percent from the 1966 base. The continued inflation of medical costs in this year may raise this figure again.

While any portion of this out-of-pocket cost which exceeds 3 percent of the person's adjusted gross income—1 percent in the case of medicine and drug expenses—is an allowable deduction under the present tax scheme, the 3-percent floor acts as an effective barrier to adequate medical care for the average elderly person who does not have comprehensive retirement benefits and may have only minimal savings in addition to social security. Those living on fixed incomes are always hard hit in inflationary times, but the elderly are particularly vulnerable since they have to contend not only with general inflation in food and housing costs but also with increased expenses solely due to advancing age and the corresponding inability to do as much for themselves as they had previously. For instance, if an elderly couple still owns their own home, maintenance costs increase beyond the amount attributable to inflation, because they have to hire others to do repair work they might previously have been able to accomplish themselves. This is but one example of the stress placed on the limited income of all but those few elderly persons who are wealthy. To those few the 3-percent and 1-percent floors present no problems, but to the majority of elderly persons, these percentage limits put up a barrier which make them reluctant, despite medicare, to seek proper medical care, especially preventive health services, since they will have to spend so much of their limited incomes before being allowed to deduct. Yet this is precisely the time in their lives when they most need increased medical services.

Until a comprehensive program of national health insurance is adopted, medical and medicine and drug expense tax deductions should be allowed for our elderly population without setting percentage barriers which effectively deprive many elderly persons from seeking the medical care they need. The legislation I am introducing today will amend the Internal Revenue Code to eliminate these barriers.

DO WE KNOW THE EFFECTS OF COMPULSORY BUSING TO ACHIEVE RACIAL BALANCE ON THE QUALITY OF EDUCATION?

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, I have introduced legislation calling for the establishment of a 13-person commission, to be appointed by the Federal courts, to examine some of the outstanding questions surrounding the controversy over schoolbusing to achieve integration in the public schools. My bill, H.R. 11613, which has been referred to the Subcommittee on Civil and Constitutional Rights of both the Committee on Judiciary and the Committee on Education and Labor, requires this commission to provide answers to 10 questions about the effects of schoolbusing to achieve a compulsory

racial balance on the quality of education for the children concerned, the effects on the flight of the predominantly white middle class to unaffected suburbs, and related issues concerning pupil, teacher, and financial distributions within school systems.

I was interested to read an article in the New York Times yesterday which concluded that experts disagree on the impact of busing on the education of the children involved. I have supported busing, and I will continue to support busing to achieve a compulsory racial balance in the public schools so long as it is related to quality education in schools, but I believe, as the experts apparently concur, that neither the Congress, nor the courts, nor any body of experts has adequately evaluated what the educational impact of busing has been or will be. I have not supported the efforts of those who want to legislate busing out of existence without having the facts to make a determination, but I have been troubled by the turmoil it is causing in our cities. I have previously summed up my feeling by saying: "My heart tells me in certain circumstances we should bus, but my gut tells me it is not working, and my mind asks: why not ascertain the facts for review?"

My commission proposal is designed to establish what the facts are, including the benefits and costs of busing, and to provide us the facts about this controversial issue in a forum that cannot be considered biased in favor of any particular view.

I was struck by the following paragraphs in the article in the Times, which was entitled: "Findings Scanty on Impact of Busing on School Work";

The future of busing as an instrument of school desegregation has come under political challenge at a time when experts agree that there is still a glaring lack of information against which to assess the educational impact of busing.

More than 20 years after the United States Supreme Court outlawed "separate but equal" schools, setting the stage for massive desegregation, social scientists and educators are unable to arrive at a consensus on the effects of busing on the children involved.

* * * * *

Definitive findings on what happens to pupil achievement when black and whites youngsters come together are scanty. There is a mixed picture of what integration means to the self-perception of pupils and what they think of each other. There is disagreement over the extent to which white flight can be attributed to desegregation.

The whole gamut of educational effectiveness during desegregation remains an essentially unresolved area. It is not even certain what the variables are that affect education under usual circumstances, let alone under desegregation.

At this point I should like to place in the RECORD my correspondence with Chairman DON EDWARDS asking for a hearing on my proposal, and the entire New York Times article. I shall continue to press for and ask for the facts. Those who believe compulsory busing and racial balance in the classroom are necessary and related to quality education, as well as those who are opposed to both compulsory busing and racial balances, should join together to ascertain what the facts are. Until we know the facts and act rationally in the light of those facts, the turmoil will continue.

The material follows:

WASHINGTON, D.C., *May 24, 1976.*

Hon. DON EDWARDS,
Chairman, Subcommittee on Civil and Constitutional Rights, Washington, D.C.

DEAR MR. CHAIRMAN: I believe that my proposal to establish a Commission on School Integration becomes more relevant and appropriate every day. What the Commission would provide is a means to analyze in an unemotional and authoritative manner some of the questions relating to the state of our public schools, including questions about the educational results of school busing, the effectiveness of school busing in bringing us closer to an integrated and harmonious society, and questions about the financing of public school systems. Such a Commission would provide the recommendations upon which public policy can be formulated. Otherwise, we are continually forced to debate these emotional subjects and attempt to formulate policy without the benefit of authoritative evidence suggesting what should be done.

I would appreciate your looking at the several statements I have made on this proposal which I am enclosing, and most of all I would appreciate a hearing on the proposal.

All the best.

Sincerely,

EDWARD I. KOCH.

Washington, D.C., June 9, 1976.

Hon. EDWARD I. KOCH,
U.S. House of Representatives,
Washington, D.C.

DEAR ED: Thank you for your recent correspondence transmitting background information and views on H.R. 11613, your bill which proposes to establish a commission to study questions relating to the racial integration of public schools. It was certainly interesting to survey the starkly different views which have been expressed regarding that legislation.

H.R. 11613 was referred jointly to the Committees on Education and Labor and the Judiciary. At present, the House Judiciary Committee's Subcommittee on Civil and Constitutional Rights has no plans to convene hearings on the proposal. We are instead devoting a great deal of our civil rights agenda to examining the problem of racially polarized housing patterns; and we are hopeful that, by so doing, we will be addressing what we perceive to be fundamental causes of the so-called "busing crisis."

In fact, we held three days of hearings in March of this year, during which we examined the Department of Housing and Urban Development's enforcement of Title VIII and other fair housing requirements. In July, we are scheduling three days of hearings to examine similar enforcement issues within the rural housing context. The agency to be examined during those hearings will be the Farmers Home Administration of the Department of Agriculture.

Ed, again I thank you for keeping me apprised of the developments surrounding your pending bill, H.R. 11613. I am confident that we are both seeking to achieve equal opportunity in education and housing for all persons and I look forward to working with you toward the achievement of that goal.

Warmest regards.

Sincerely,

DON EDWARDS,
Chairman, Subcommittee on Civil and Constitutional Rights.

[From the New York Times, June 20, 1976]

FINDINGS SCANTY ON IMPACT OF BUSING ON SCHOOL WORK

(By Gene I. Maeroff)

The future of busing as an instrument of school desegregation has come under political challenge at a time when experts agree that there is still a glaring lack of information against which to assess the educational impact of busing.

More than 20 years after the United States Supreme Court outlawed "separate but equal" schools, setting the stage for massive desegregation, social scientists and educators are unable to arrive at a consensus on the effects of busing on the children involved.

Nonetheless, there is growing pressure from politicians, including President Ford, to limit busing.

Critics say it is the long-distance relocation of pupils, not desegregation, that they oppose. But it seems clear by now that in most locales, housing patterns have made it difficult to pursue integration without wide-scale busing, which the courts have endorsed as a remedy for segregation.

In the latest decision, last Monday, the Supreme Court refused to review, thereby leaving standing a Federal District Court order that has led to the busing of 26,000 of Boston's 76,000 pupils.

In a related development, government figures released yesterday in Washington indicated that there had been little change from the high levels of school segregation of black children in this decade. [Details are on Page 24.]

Busing emerged as a major desegregation tool by the end of the 1960's, the major breakthrough for its supporters coming in 1971 with the Supreme Court's approval of busing in Charlotte, N.C.

Many pupils have traditionally ridden buses to school because of the distances they must travel. Today more than 40 percent of the country's 48 million elementary and secondary school youngsters are transported to school.

It was not until busing was used for desegregation that pupil transportation became an issue and politicians began expressing their concern about its effects.

What has complicated the controversy is the limited and conflicting information on the results.

Definitive findings on what happens to pupil achievement when black and whites youngsters come together are scanty. There is a mixed picture of what integration means to the self-perception of pupils and what they think of each other. There is disagreement over the extent to which white flight can be attributed to desegregation.

The whole gamut of educational effectiveness during desegregation remains an essentially unresolved area. It is not even certain what the variables are that affect education under usual circumstances, let alone under desegregation.

NEITHER SUCCESS NOR FAILURE

"Although desegregation is not to date a demonstrated success, it is not yet a demonstrated failure," Dr. Nancy H. St. John of the University of Massachusetts at Boston wrote last year in her book, "Desegregation Outcomes for Children."

"In spite of the largest number of studies, various limitations in design weaken the best of them," Dr. St. John wrote after examining 120 studies of desegregation. "Thus, in a sense, the evidence is not all in."

A difficulty in studying the effects of desegregation has been the vastly different situations under which it has been pursued.

Researchers do not know conclusively what the differences in the impact of desegregation are between large districts and small districts, between voluntary conditions and mandatory conditions, in classrooms that have varying percentages of integration and under teachers with disparate backgrounds and experience.

Two California psychologists, Dr. Norman Miller and Dr. Harold B. Gerard, in a book to be published this year, say one reason busing can fail to raise achievement levels of pupils is the racial bigotry of some teachers.

MONITORING PLANS LACKING

Few, if any, school districts have set up at the outset of desegregation detailed ways to monitor and evaluate the results.

"I have served as an expert witness in 13 court cases and I have analyzed a great deal of data," said Dr. Robert L. Green, dean of the College of Urban Development at Michigan State University. And I have not yet seen one school system in this nation that can sit down with you and tell you what has happened, step by step, as a function of desegregation."

Other than a few statistics gleaned from standardized tests, spokesmen for the Boston schools say they have no hard data on the educational effects of the desegregation plan that has thrown that city into turmoil.

In New York City, which more than 10 years ago voluntarily embarked on a desegregation plan that involves the assignment of tens of thousands of black and Puerto Rican youngsters to schools in white neighborhoods, the school system's officials say they have undertaken no systematic evaluation of the program.

READING IMPROVES

Charlotte, N.C., is only now beginning to look at the relationships between a family's socioeconomic and educational level and scholastic achievement under desegregation. The Charlotte system has also just finished devising a test that will permit a study of attitudes under desegregation.

What Charlotte does know already is that achievement gains for all pupils have accelerated in reading and mathematics since the early days of desegregation, when there was a dip in achievement.

But the district has almost no reliable information on the achievement of blacks before desegregation and did not begin until this year keeping separate achievement records for blacks and whites.

Like educators in many districts, those in Charlotte think that final verdicts on desegregation—i.e., busing—cannot be made for several years, though they are encouraged by what they have seen and are disturbed by national political pressures to curtail busing.

"This is much too early to close the books on desegregation," said Betsy Haley, Charlotte's director of pupil assessment.

5-YEAR LIMIT WEIGHED

One of the proposals President Ford is reported to be considering for restricting desegregation would place a five-year limit on court-ordered busing plans. In light of the difficulties in making quick assessments of the educational impact of integration, which some observers see as a long-term process, a time limit on busing is viewed as a possible problem.

"Most of the research on desegregation is based on the assumption that it is a simple phenomenon with a rapid impact," said Dr. Gary Orfield of the Brookings Institution, a former staff member of the United States Commission on Civil Rights.

"A systemwide desegregation plan is a drastic reorganization of a school system that creates potential effects, positive and negative, to be realized over many years with a lot of variance from school to school, Dr. Orfield said. "We need a long-term longitudinal study to look at that and such a study hasn't happened anyplace."

Proponents of integration, including Dr. Orfield, maintain, however, that some tentative conclusions can be drawn despite the deficiences in the research.

Most importantly, they say, it has been demonstrated that desegregation can lead to improved rates of learning for blacks without any ill effects on the rates of whites.

Meyer Weinberg is one advocate of integration who feels "it is not too early to make good informed judgments on educational results."

Mr. Weinberg, who recently completed an analysis of the research on minority students for the National Institute of Education, is the editor of "Integrateducation," a magazine with offices at Northwestern University in Evanston, Ill.

The Southern Regional Council, in "School Desegregation: A Report Card from the South," cites communities including Miami, Water Valley, Miss., and Fayetteville, Tenn., as among those in which "the overall direction of movement and change appears to be toward equity, toward stability, toward opportunity and quality, toward integration in the schools."

Yet, there is by no means unanimity on the early record of desegregation.

Dr. David J. Armor of the Rand Corporation in Santa Monica, Calif., in a much disputed study, concluded in 1972 that "to date there is no published report of any strictly educational reform which has been proven substantially to affect academic achievement; school integration programs are no exception."

Dr. James S. Coleman of the University of Chicago, whose 1966 report on the beneficial aspects of putting disadvantaged pupils into classrooms with pupils from better-educated backgrounds helped provide an academic underpinning for busing, has now backed off from busing.

He says, however, that he still supports integration that his antibusing position is based on a conviction that busing contributes to white flight, making it counterproductive to the goal of integration.

Almost no scholar on any side of the controversy has taken exception with the finding that desegregation thus far has failed to eliminate the gap that is usually found between the achievement levels of whites and blacks. It is a gap that research indicates widens with each grade until high school graduation, when blacks lag three years behind whites on standardized achievement tests.

The gap has persisted, for instance, in Evanston, a Chicago suburb that has had a desegregated school system since 1967. It also happens that the black youngsters, as in many other districts, are generally of a lower socioeconomic family background than the whites.

PERSONAL EXPLANATION

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, I was unable to be present in the House of Representatives in the late afternoon and evening of the session on Friday, May 21, 1976. Had I been present, I would have voted "aye" on rollcall 407, the vote on final passage of H.R. 13589, the U.S. Information Agency Authorization Act for 1977. I would have voted "aye" on rollcall 408, the vote on the rule for H.R. 41239, the appropriations for the Departments of State, Justice, and Commerce, the judiciary and related agencies for fiscal year 1977. I would have voted "aye" on rollcall 410, the Holtzman amendment to H.R. 41239, which would increase the appropriation to the Law Enforcement Assistance Administration. I would have voted "no" on rollcall 411, the Miller amendment to recommit H.R. 41239.

MONTHLY LIST OF GAO REPORTS

(Mr. BROOKS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. BROOKS. Mr. Speaker, the monthly list of GAO reports includes summaries of reports which were prepared by the staff of the General Accounting Office. The May 1976 list includes:

Agricultural Research—Its Organization and Management. RED-76-92, April 9.

Marketing Order Program—An Assessment of Its Effects on Selected Commodities. ID-76-26, April 23.

Opportunities for Improving Internal Auditing. RED-76-89, April 12.

Need for Improvement in Small Business Administration's Financial Management. FOD-76-7, April 16.

Federal Efforts To Extend Winter Navigation on the Great Lakes and the St. Lawrence Seaway—Status and Problems To Be Resolved. RED-76-76, April 20.

How Much Federal Subsidy Will Amtrak Need? RED-76-97, April 21.

Formidable Administrative Problems Challenge Achieving National Flood Insurance Program Objectives. RED-76-94, April 22.

Contractors' Use of Altered Work Schedules for Their Employees—How Is It Working: PSAD-76-124, April 7.

More Can Be Learned and Done About the Well-Being of Children. MWD-76-23, April 9.

Experimental Schools Program: Opportunities To Improve the Management of an Educational Research Program. MWD-76-64, April 27.

Activities of Project Reach, Inc. MWD-76-51, January 16.

The Congress Should Consider Repealing the 4¼-Percent Interest Rate Limitation on Long-Term Public Debt. OPA-76-26, April 16.

Summary of Open GAO Recommendations for Legislative Action. OCR-76-1001, April 20.

The Congressional Budget and Impoundment Control Act of 1974: Its Impact on the Authorizing Committees and GAO. OPA-76-29, April 21.

Improvements Needed in Managing Automated Decisionmaking by Computers throughout the Federal Government. FGMSD-76-5, April 23.

Uses of Minicomputers in the Federal Government: Trends, Benefits, and Problems. FGMSD—76-53, April 22.

Computer-Related Crimes in Federal Programs. FGMSD-76-27, April 27.

Violations of the Anti-Deficiency Act and Other Financial Management Problems at the Equal Employment Opportunity Commission. FGMSD-76-12, April 5.

Need to Control Federal Warning System Proliferation. LCD-76-105, April 9.

Internal Revenue Service Assistance to Taxpayers in Filing Federal Income Tax Returns. GGD-76-49, April 1.

Audit of Fiduciary Income Tax Returns by the Internal Revenue Service. GGD-76-33, April 16.

Acquisition of Public Buildings by Leasing and Purchase Contracting. LCD-76-304, April 16.

Appraised Value of Government-Owned Properties to Be Exchanged for Privately-Owned Land in Jacksonville, Florida. LCD-75-312, March 3, 1975.

Investigation into Purchases from Workshops for the Blind and Other Severely Handicapped. PSAD-76-118, April 9.

Observations on Collection and Dissemination of Scientific, Technical, and Engineering Information. GGD-76—66, March 19.

Status and Issues Relating to the Space Transportation System. PSAD-76-73, April 21.

Improvements Needed in Managing and Monitoring Patients' Funds Maintained by Skilled Nursing Facilities and Intermediate Care Facilities. MWD-76-102, March 18.

Regulation of the Food Additive Aspartame. MWD-76-111, April 8.

New Child Support Legislation—Its Potential Impact and How to Improve It. MWD-76-63, April 5.

Examination of Funds Appropriated for Economic and Food Aid to Indochina. ID-76-54, April 16.

Impact of U.S. Development and Food Aid in Selected Developing Countries. ID-76-53, April 22.

Impact of Foreign Direct Investments: Case Studies in North and South Carolina. ID-76-43, April 26.

Conditions in Local Jails Remain Inadequate Despite Federal Funding for Improvements. GGD-76-36, April 5.

Federal Prison Construction Plans Should Be Better Developed and Supported. GGD-76-10, April 27.

People Get Different Discharges in Apparently Similar Circumstances. FPCD-76-46, April 1.

Changes Are Needed in Operating Military Resorts. FPCD-76-20, April 6.

Special Priorities Assistance Program: Its Shortfalls and Its Possibilities. PSAD-76-93, April 2.

Policy Changes and More Realistic Planning Can Reduce Size of New San Diego Naval Hospital. MWD-76-117, April 7.

Maintaining a Military Presence in an Industrial Environment—Issues and Costs. FPCD-76-7, April 12.

Alcohol Abuse Is More Prevalent in the Military Than Drug Abuse. MWD-76-99, April 8.

Rotation Policies and Practices Have Been Changed for the Better—But Room for Improvement Remains. FPCD-76-45, April 22.

Opportunities for Improving Management of Ammunition Components. LCD-76-431, April 16.

Additional Costs of Stationing U.S. Forces in Europe. ID-76-32, April 28.

Inquiry Into the Relocation of the Armed Services Recruiting Offices in Las Cruces, New Mexico. LCD-76-306, November 7, 1975.

Army's Program to Modernize Ammunition Plants. B-172707, July 15, 1974.

Transfer of Cargo Operations at the Military Ocean Terminal, Oakland, California, from Civil Service to Contract Labor. B-171695, June 11, 1974.

Role of Federal Coal Resources in Meeting National Energy Goals Needs to be Determined and the Leasing Process Improved. RED-76-79, April 1.

General Accounting Office Reviews of Federal Environmental Research and Development. RED-76-95, April 7.

Review of the 1974 Project Independence Evaluation System. OPA-76-20, April 21.

Revenue Sharing Fund Impact on Midwestern Townships and New England Counties. GGD-76-59, April 22.

Additionally, letter reports are summarized including:

Status of $600 million of impounded budget authority for the Department of Housing and Urban Development's State Housing Finance and Development Agencies. ACG-76-21, April 6.

GAO comments on impoundments of budget authority proposed by the President. ACG-76-22, April 9.

GAO notifies Congress of a rescission of $26.3 million of budget authority for the Department of Housing and Urban Development which should have been—but was not—reported to the Congress under provisions of the Impoundment Control Act of 1974. ACG-76-23, April 20.

GAO comments on draft guidelines for controlling the FBI's domestic intelligence operations. GGD-76-79, March 29.

Use of equipment purchased under a cost-sharing agreement with the Washington Suburban Sanitary Commission for the District of Columbia's Blue Plains Wastewater Treatment Plant. GGD-76-76, April 7.

Financial management systems of drug treatment and rehabilitation projects funded by the National Institute of Drug Abuse. MWD-76-120, April 6.

How Federal agencies treat working hours and lunch periods for their employees. FPCD-76-147, April 9.

Subsidies for the Westlands Water District in California's Central Valley Project. RED-76-98, April 9.

The Energy Research and Development Administration should speed up its surveys of residual radioactivity at 49 sites previously used as nuclear facilities. RED-76-102, April 9.

The Department of Defense may be able to reduce expenditures for air pollution control facilities and equipment by basing them on State standards, where Federal standards have been revoked. LCD-76-17, April 14.

Ways for the Marine Corps to improve its pay and personnel records. FOD-76-17, April 19.

How to improve Federal Energy Administration assistance to State and local activities in dealing with energy problems. OPS-76-20, April 23.

The Federal Energy Administration should take the lead in collecting and compiling information on coal exports. OSP-76-17, April 14.

Questions about the General Services Administration contract with Western Union for records communications services. LCD-76-122, April 16.

Acquisition of automatic data processing equipment by the Department of Agriculture for its Washington Computer Center. LCD-76-120, April 16.

Effect of frequent relocations of Department of Health, Education, and Welfare employees in the Washington area. MWD-75-54, February 10, 1975.

Impact of reduced appropriations for fiscal year 1975 on the Work Incentive Program. MWD-75-67, February 19, 1975.

Office of Education's use of funds to pay for attendance at conferences. MWD-75-93, June 17, 1975.

Answers to questions on the Federal coal leasing program. RED-76-26A, October 15, 1975.

Use of potentially dangerous drugs at the Medical Center for Federal Prisoners, Springfield, Missouri. GGD-75-91, June 6, 1975.

How does the Postal Service calculate the amounts due them from the Department of Defense for mail services? GGD-75-71, February 20, 1975.

Cost of food service at Patrick Air Force Base, Florida. LCD-75-438, May 8, 1975.

Constituent complaint about Army's Incentive Awards program. LCD-75-446, July 3, 1975.

Issues involving the Navy's Patrol Frigate program and other surface combatants. PSAD-75-89, June 10, 1975.

Savings available by contracting for supply support services at the Eastern Test Range. FPCD-76-5, August 18, 1975.

Corps of Engineers actions on three storm window and storm door contracts in Alaska. LCD-76-316, October 30, 1975.

Legal questions concerning personnel policies of Federal agencies in the Panama Canal Zone. FOD-75-14, September 1, 1975.

Proposed procurement of a minicomputer by the Army for use at Fort Benjamin Harrison. PSAD-76-11, September 3, 1975.

Analysis of the U.S. Postal Service's public service costs. B-114874, October 9, 1974.

Army's decision to stop producing 5.56 mm ammunition at the Twin Cities Army Ammunition Plant, New Brighton, Minnesota. B-172707, September 3, 1974.

Criteria used by the Army and Air Force Exchange Service for buying luggage. B-173215, October 5, 1971.

The monthly list of GAO reports and/or copies of the full texts are available from the U.S. General Accounting Office, room 4522, 441 G Street NW., Washington, D.C. 20548. Phone (202) 275-6241.

Summaries of significant legal decisions and advisory opinions of the Comptroller General issued in April 1976, are also available as follows:

Continuing Support Services, Salaries for Federal Election Commission Legal. B-130961, April 21.

Grantor Agency's Organizational Conflict of Interest Guideline Upheld. B-184926, March 29.

Grantor May Approve Grantee's Award to Most Favorable Nonresponsive Offeror. B-185505, April 7.

Travel Expenses Incurred for Temporary Duty While on Leave. B-185070, April 13.

Employee Hired in Violation of Appointment Authority Entitled to Pay. B-183328, April 16.

Modification of Completed Contract Is Allowable. B-185901, April 14.

Dislocation Allowance Not Payable Without Permanent Change of Station Orders. B-182581, March 30.

Hunting at Lodge Owned by Agency Contractor. B-183327, March 18.

Reimbursing Attorney's Fee for Purchase of Residence. B-185800, April 14.

Pay Raises for Park Police and Executive Protective Service. B-156550, April 7.

Arbitrator's Award Setting Effective Date for Wage Increase May Be Implemented. B-180010.07, April 13.

If you need further information regarding these or other decisions, please call (202) 275-5028 or write to the general counsel, U.S. General Accounting Office, Washington, D.C. 20548.

LOOKING AFTER OUR NATIONAL PARKS

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SEIBERLING. Mr. Speaker, this week the House is scheduled to consider the appropriations bill for the Department of the Interior. Contained in that bill will be proposed funding for the National Park Service. With summer upon us and with the American people setting out in record numbers to visit our parks, now is an especially appropriate time to look at what our National Park System is and what we want it to be.

Our distinguished colleague from Illinois (Mr. YATES) and the Appropriations Subcommittee which he chairs have done an excellent job of analyzing the needs of the National Park Service for funds and personnel. The subcommittee had a very difficult task, for in recent years the administration has consistently requested less funding and fewer employees than were needed.

To illustrate the difficult decisions which face Congress, I would like to place in the RECORD a five-part article by David Hess which appeared in the Akron Beacon Journal last week. Mr. Hess spent 2 months and traveled 7,000 miles to prepare this indepth report on the problems facing the National Park System today. As he points out:

> From Yosemite Valley to the peaks of the Smokies, the system has suffered for at least a decade because national attention and federal budget priorities have been directed elsewhere.

Administration officials quoted by Mr.

Hess lay the blame for the problems at the door of Congress, for authorizing new parks but not appropriating sufficient funds to acquire, develop, and maintain them. While I agree that Congress shares the responsibility for funding as well as approving parks, the cutbacks in recent years are the result of the administration's refusal to request the funds that are needed. Congress has been put in the awkward position of attempting to add to the park budget, while risking a veto and subsequent castigation by the administration for trying to increase Federal spending.

Furthermore, the administration officials stated that they were concerned about the "overuse" of parks from the increasing numbers of people who visit them—while also protesting the creation of new parks, particularly ones near urban areas, which could alleviate some of the pressures on the older, more traditional parks and wilderness areas. The answer is not simply to pass the buck to the States and local governments. Most of them have done an excellent job in providing parks, but they cannot shoulder all the burdens alone.

At the end of Mr. Hess' articles, I would like to insert in the RECORD a copy of an article from the Cleveland Plain Dealer by Richard C. Widman which shows the situation of State parks in Ohio. There park visits are up tenfold, from 4 to 40 million, in only 20 years. Yet funds for land acquisition for State parks are exhausted, capital improvement funds have almost been depleted, and maintenance funds are stretched so thin that vital maintenance needs are being neglected. Clearly park funding on all levels of Government needs a higher priority. Federal leadership is essential if our parks are to survive.

Following are the articles by Mr. Hess and Mr. Widman:

SCARS OF DECAY, DISREPAIR FOUND ON TOP OF OLD SMOKEY

(By David Hess)

(America's national parks are at a critical stage in this Bicentennial year. The interstate highway system increased their use tremendously. A heavier volume of visitors has caused deterioration. Many additions, including the Cuyahoga Valley Recreation Area in our own backyard, have placed costly new burdens on the system. David Hess of the Beacon Journal Washington Bureau spent two months, traveled 7,000 miles and talked to park experts about the system's problems. In this, the first of five articles, he reports on deterioration in the parks.)

GREAT SMOKEY MOUNTAINS, TENN.—At 6,000 feet, where the air is thin and strands of sunlight filter through the mist and great trees, the Appalachian Trail threads along the rounded crests of the Great Smokey Mountains.

A chorus of birds singing its ageless concert in the dense growth flanking the trail is so much a part of the scene that the songs go almost unnoticed.

As the hikers pause to catch their breath in the rare air, they are enveloped by a sense of serenity, a feeling that the forest will nurture them, too.

But then, through the trees, their eyes fall on a trampled and littered clearing surrounding a squat stone trail shelter.

The shelter shows the unmistakable scars of vandalism and neglect: initials carved in the roof beams, torn and broken wire in the bunks, trash in and around the structure.

On the fringes of the clearing, even more signs of abusive treatment: broken saplings, empty food tins, a stray beer can, a deposit of human waste within 20 yards of an outdoor privy at the edge of the campsite.

As the hikers make their way up on the trail, striking for the crest at Clingman's Dome, the pathway becomes an eroded ditch, strewn with rocks and roots—a trampled remnant left by 80,000 pairs of booted feet each year and a chronic lack of maintenance.

Trekking to other parts of the sprawling, 500,000-acre Great Smoky Mountains National Park—on other trails, along rocky river banks, into mountain hollows and vales—the hikers see other signs of decay and disrepair.

Invisible at first glance because of the awesome grandeur and greenery of the giant mountain bulwarks, the rutted trails, rotting cabins and trail-signs, cracked and buckling roads and aging bridges testify to the plight of this and indeed most of our national parks.

A journey of some 7,000 miles in April and May to various national parks and interviews with dozens of people inside and outside the government revealed the extent of the rising tide of neglect in the park system.

From Yosemite Valley to the peaks of the Smokies, the system has suffered for at least a decade because national attention and federal budget priorities have been directed elsewhere.

At Yosemite, where Supt. Leslie Arnberger is struggling against mounting deterioration that threatens to turn the park into a Coney Island of the West, trampled and overworked trails and campgrounds, decrepit buildings and bumper-to-bumper auto traffic attest to the park's problems.

Musing about the situation in his office, Arnberger, a 30-year veteran of the National Park Service, suddenly rose from his chair and walked over to a window overlooking a creek and meadow on the valley floor.

"You know," he said, "I'm terribly worried that the people in charge aren't fully aware that we're dealing here with extraordinarily fragile resources and ecosystems that could rather easily be destroyed—not through any deliberateness but through the lack of concern of our leaders.

"Our mandate from Congress is to safeguard and preserve these assets—forever. At the rate we're going now, we aren't going to be able to live up to that mandate, and still allow people to enjoy these parks, unless there are some big changes made in the way we approach our problems."

Heavy yearly traffic at Yosemite—2.5 million visitors in a volatile social mix of young and old, poor inner-city black and affluent white suburbanite—has forced Arnberger to post six of his undermanned, 34-member ranger force to full-time law enforcement duties.

Last year alone, he said, rangers made 625 arrests for violations ranging from littering to rape and murder.

Because of Yosemite's remoteness, the park's management cannot readily call on FBI agents to enforce the law except for the most serious felonies.

"All of the parks have law enforcement problems," said Arnberger, former superintendent of Cape Cod National Seashore in Massachusetts. "And it takes trained, skilled people, and money, to deal with them. And we're not getting it at a time when visitations are rising and the incidence of lawbreaking is increasing."

Law violations last year, he said, were 14 percent higher than the year before.

The 28 rangers not assigned to law enforcement are responsible for round-the-clock husbanding of the park's resources. They are scattered thinly over Yosemite's 1,200 square miles, barely able to keep up with the mounting demands for visitor services and resource protection.

"Unless our funding is improved," Arnberger said, "we're going to have to close some of our campgrounds, reduce or eliminate certain interpretive services, and let some of our facilities just fall apart."

He estimates he needs at least 15 additional rangers, about a dozen more maintenance and sanitation technicians and a couple of clerical staffers "simply to stay on top of our most pressing needs."

Arnberger and James Wolfe, an assistant superintendent, produced computerized lists of Yosemite's backlogged maintenance and capital improvements projects.

More than 150 maintenance projects, ranging from field sanitation to trail restoration chores, await funding. And there are 69 capital projects, including a major road rehabilitation and a sewage treatment project.

The nine most "urgent" maintenance jobs will cost $532,000, Wolfe said. The top-priority capital projects will cost more than $1.6 million.

Thus at Yosemite alone nearly $2.2 million is needed for projects considered to be "urgent" by park management. Only part of the money is likely to be forthcoming.

Delay, Wolfe said, will "just pyramid the costs. These aren't optional projects, that we can just keep putting off. They are essential to the safe operation of the park The longer we wait, the bigger the price-tag will be."

The dilution of interpretive services, Arnberger said, is what "saddens" him the most. Interpretive services include guided tours and lectures on a park's scenic wonders.

"The whole concept of the park service has been to deliver services," he said. "To me, that's the heart and meaning of what the parks are all about—to help people understand and appreciate the natural resources that are here.

"The personal contact between our ranger-naturalists and the people who visit us in the essence of what we're trying to do in teaching people that our ecological system is extremely fragile and must be protected and nurtured."

Essentially the same problems are described by top officials at Great Smoky National Park, where the signs of neglect are perhaps even more pronounced.

About 8.5 million visitors a year pass through the Smokies—in cars, on foot, on horseback. The rutted trails, trampled campgrounds and cratered roads all attest to the park's growing popularity. Visits this year are running 14 percent higher than last year at the same time.

"We need at least twice as much as we're now allotted for maintenance alone," assistant Supt. Gilbert Calhoun said, "simply to hold things in the state they're in now, to keep them from getting more rundown, and to take care of the urgent restoration that can't wait."

At Metcalf Bottoms, a popular route for motorized visitors, a once-sturdy wooden bridge is showing signs of extreme stress: cracked timbers, splintered planks, spots of dry rot.

The Walker Sisters' Cabin and outbuildings, an integral part of the area's history, are rotting and in danger of collapse, preserved only by a jerry-built tin roof erected to ward off the ravages of rain and snow.

The Newfound Gap Road, winding 30 miles across the mountains from Gatlinburg, Tenn., to Cherokee, N.C., is a death-trap when slickened by rain or mist.

"We're now in a state of 'crisis management,'" Calhoun said, "barely getting enough to stay above water and not even enough to keep up with inflation, which is chewing us up."

Ranger Bill Burke said, "Last year people around the campgrounds were asking us, 'Where are the bears?' This year, they're asking us, 'Where are the lights in the restrooms?'"

A recent survey of America's parks conducted by the National Parks and Conserva-

tion Association (NPCA), a private group, showed that the slow but steady onset of rot and decay spreads far beyond the boundaries of the Great Smokies and Yosemite. It touches practically every park, seashore, lakeshore, monument and historical site in the national park system.

Anthony Wayne Smith, NPCA president, told Congress that personnel and maintenance constraints imposed by a succession of Presidents and tolerated by Congress have put some parks in serious jeopardy.

"There has been an elementary failure to maintain the public property of the American people," Smith said. "No economies can be effected by curtailing funds for maintenance and repair to the point where buildings, roads, sanitary facilities and the like deteriorate beyond repair—and yet that is precisely what is happening."

Aside from the neglect of physical facilities, Smith and other critics say, there is a decline in the standards of special service that the parks traditionally have provided: Interpretation of wildlife traits, plant life and geologic and geographic wonders.

"We're seeing here a policy of retrenchment," Smith complained, "and it's a penny-wise, pound-foolish policy."

National Park Service officials, while wincing at Smith's rhetoric, have not denied the accuracy of an inventory his organization put together on the park's problems.

They agree in principle with the remedies he is prescribing: more money and manpower to catch up with the years of neglect in the old parks and to develop and maintain the land and facilities in the 23 new parks and other areas that have come on line since 1973.

Indeed, most ranking park service officials say the manpower and maintenance situation, though by far the most serious, is only one of several problems facing the park service at a time when the entire system is verging on some revolutionary changes.

Issues facing park officials include:

Whether the congressional mandate to preserve the parks is being overridden by mounting public demand to use them.

Whether the park service should acquire and develop more "urban" parks near big cities or stop short with the three it already operates, including the Cuyahoga Valley National Recreation Area in Ohio.

Whether the park system, after 15 years of explosive expansion, should now stop and take stock of its holdings and resources, in an effort to regroup, consolidate and catch up with its needs.

All of these issues are pregnant with controversy, and each in its own way has forced divisive wedges between the Interior Department and Congress, the White House and Congress, and even within the park service and Interior or Department themselves.

The public has a big stake in the outcome since the way these issues are resolved could mean either better and closer recreation opportunities or fewer chances to commune with the great outdoors.

Of most immediate concern, however, is the chronic shortage of operational funds that park officials and outside critics agree is at the root of the parks' manpower and maintenance deficiencies today.

NPCA's survey, in the spare language of a police blotter, provides some of the bare details:

At Everglades National Park, "the park's mass transit vehicles are overflowing, too crowded . . . law enforcement has been inadequate . . . areas have suffered abuses from illegal off-road vehicles . . . backcountry camping sites have been halted because of inadequate personnel and lack of funds for servicing, maintaining and patrolling them . . . interpretive programs have been set back severely . . . maintenance of buildings has gone unattended. . . ."

Claude W. McClain, assistant superintendent at Everglades, told the Miami Herald that Interior Department budget-cutters have been whittling away steadily at manning levels there.

"On June 30," McClain said, "we'll have to cut down to 79 budgeted positions from the 87 we have now. Three years ago, we had 104 budgeted positions."

Shenandoah National Park: "Rotting timbers and sidings, failing electrical apparatus and deteriorating roofs . . . the park is unable to meet many of the requirements . . . for visitor health and safety . . . the sewage systems are not in compliance with EPA standards."

Delaware Water Gap National Recreation Area: "The rangers are able to provide only minimal backcountry patrols. The division most severely affected has been maintenance . . . dozens of historical structures . . . are deteriorating rapidly (and) some are certain to be lost."

Yellowstone National Park: "(no) cyclic rehabilitation program for campgrounds, buildings, historic structures and roads, resulting in gradual deterioration . . . (and) ultimately resulting in higher replacement costs . . . Old Faithful Inn is in a dire state of disrepair. Campgrounds are often closed in the fall . . . since seasonal employes are released on a predetermined time schedule."

Similar reports, from park superintendents and long-time conservationists, came in from dozens of other areas.

Historical sites have not been spared the blight. At El Morro, an old fort that played a key role in the Spanish conquest of the Caribbean, the corrosive wave action of the sea is about to undermine and destroy the structure.

At Fort Larned, Kan., the defective underpinnings of the fortification could soon lead to a catastrophic collapse of the entire edifice.

In both cases, park service officials say, it would take millions of dollars to save the two forts.

Great Smokies Supt. Boyd Evison summed up the plight of the parks, when he said:

"In parks, the medium is most assuredly the message. Rotting historical structures . . . and littered roadsides tell the public that America doesn't care enough to husband its most distinctive natural and historic resources.

"Why, then, should the people treat those resources with care? Neglect begets neglect. The costs are not only in terms of dollars or of manpower. Perhaps the most serious costs are in terms of resources irretrievably impaired and of experiences forever lost."

MANY SHARE BLAME FOR PARK NEGLECT—II

(By David Hess)

WASHINGTON.—Money. That is all national park officials say they need to bring their parks up to standard.

They know how to manage parks. They know what needs to be done. They know how to set their priorities.

But they can't adequately do any of these things without enough money.

Indeed, they say, if the budget squeeze that has stifled park operations for the past 10 years continues, they will have to either relax their preservation standards or shut people out of the parks.

National Park Service Director Gary Everhardt says the park system has accumulated a $2.9 billion backlog of unattended repair, rehabilitation, reconstruction and capital improvement projects.

Manning levels, limited by the dictates of the White House Office of Management and Budget (OMB) are nearly 20 percent below what park officials insist are needed to operate at prescribed minimum standards.

The over-all operations and maintenance budgets are roughly 40 to 50 percent below the minimum required to meet growing demands for visitor services and keep the parks in tip-top shape.

In addition, the rapid expansion of the park system over the last 15 years has led to a $490 million backlog of land acquisition projects.

The consequences of the money crunch are easy to see.

Anthony Wayne Smith, president of the privately-funded National Parks and Conservation Association, said recently:

"When people get to many parks these days, they encounter deteriorating roads, dilapidated buildings, inadequate sanitary facilities, poorly maintained trails, bad management of traffic, inadequate information about the parks, and even safety problems—vandalism, crime and inadequate police protection."

As evidence of neglect in the parks mounts, a debate is rising between Congress and the Ford administration over who's to blame. At this stage, there appears to be plenty of blame for all to share.

Yosemite Supt. Leslie Armberger put it: "Congress created all of these new areas (nearly 100 in the past 15 years) and then left it up to the various Presidents to take the initiative in seeing to it that the parks were adequately developed and protected. Unfortunately for us, the Presidents had other priorities and when the hard choices came, the parks got the short end."

Nathaniel Reed, assistant Secretary of Interior for Fish and Wildlife and Parks, traces the beginnings of the park system's quandary to 1962, when Congress authorized the creation of Cape Cod National Seashore in Massachusetts.

"Until then," Reed said, "the overwhelming acreage for national parks, with the exception of the Smokies, had been taken from lands in the public domain.

"But Congress discovered that you could create these parks from lands held in private hands, too, and shortly after that, Congress set up the Land and Water Conservation Fund to pay for these lands.

"After that, Congress was hooked. Before long, we had added the equivalent of another full-fledged park system to the one we already had."

The trouble was, Reed said, that "all of us thought it was a great idea. Who's going to knock new parks? But nobody, and I mean nobody really focused on what the impact was going to be on the park service's manpower budget, the maintenance budget and capital improvements."

By the early 1970s, as more and more acreage fell under the domain of the park service, the strains began to show.

As the new parks came on line, personnel, upkeep and development demands soared. At the same time, as the interstate highway system and family affluence grew, the number of visitors rose sharply, from 114 million in 1965 to an anticipated 260 million this year.

Instead of meeting this explosive growth head-on, a succession of Congresses and Presidents—from Democrat Lyndon Johnson to Republicans Richard Nixon and Gerald Ford—chose to look the other way. Other enormous claims were being made on the federal government.

"Natural resources, which is the heading we fall under, are considered to be among the so-called 'controllable' expenditures of the federal government, unlike Social Security, veterans' benefits, welfare and the other transfer payments," said Cleo Layton, an Interior Department budget expert. "Even defense spending has come to be viewed by most Presidents as uncontrollable, in the sense that you can't cut it sharply.

"So when the White House's budget people went to work on paring down the budget, we in the park service felt the bite."

By the early 1970s, however, it became apparent to anyone monitoring the spending

trends that the park service was headed for a fiscal crunch.

"As we added these new areas, the money to develop and manage them just wasn't there," Arnberger said. "So we spread our manpower thinner and thinner until it got to the point that we couldn't even handle a lot of the really serious problems we had, much less the routine maintenance,"

As Reed put it: "We began robbing Peter, the old parks, to pay Paul, the new ones."

Deteriorating maintenance was soon followed by declining service. Interpretive programs, designed to help visitors understand the natural wonders and processes of the parks, which Arnberger calls the "essence of the park experience," began to suffer.

Backcountry patrols were reduced, leading to further deterioration of trails and campsites. In some parks, game-poaching and the destruction of vegetation rose sharply.

Until a concerted campaign by park rangers and agents of the Fish and Wildlife Service, working on their own time, was mounted in the Great Smokies in late 1974, for instance, poachers were killing up to 200 bears a year, according to ranger Burke.

Meanwhile, as the recession set in and federal revenues lagged, the Nixon and Ford administrations frantically sought more ways to cut the budget. Expansion of the park system called for additional personnel and money. But lower manpower ceilings and maintenance budgets were imposed.

Park Service Director Everhardt says the system requires a minimum of $100 million to $125 million a year to take care of routine maintenance and pay for the most pressing rehabilitation and construction projects. The present annual spending level is now about $50 million.

Budgeting got so tight this fiscal year that the OMB issued, and then rescinded, an order for no spending at all on park land acquisition.

Interior Secretary Thomas Kleppe appealed directly to President Ford and won a reprieve from this directive. But the final park service budget was only one percent higher than in 1975. Inflation drove actual operating costs up eight percent.

Kleppe, by juggling funds within the service's budget, managed to win OMB approval for an increase in authorized permanent personnel from 7,100 to 7,500 this year. But most of these people will be posted to the National Capital Parks in Washington and to other well-known parks in anticipation of a Bicentennial flood of visitors.

All of this budget-straining and money-shuffling eventually came to the attention of a House Natural Resources subcommittee chaired by Rep. William Moorhead (D-Pa.). He and Rep. Gilbert Gude (R-Md.) held hearings on what Moorhead called the "degradation of the national parks."

The two lawmakers have criticized what they say are "false economies" in the way the OMB manipulates the park service budget.

In a sharp exchange with James L. Mitchell, associate director of OMB, Gude cited what he called "a glaring example" of how the neglect of one structure—the Catoctin Aqueduct in the C and O Canal National Historical Park—led to a huge reconstruction bill.

"The repair cost, when the deterioration problem was first discovered, would have been $200,000," Gude scolded, "but the structure was ignored. A year later three arches collapsed, and now the park service says it'll cost about $2 million to rebuild it—10 times as much . . . This just doesn't make sense."

Park superintendents in almost every major area can cite cases of neglect leading to more expensive repair and rehabilitation.

Everhardt says a "sort of domino effect sets in. Neglect of maintenance leads to rehabilitation. Lack of rehabilitation leads to major reconstruction. And the cost shoots up with every stage of neglect."

But OMB is not convinced that the park service is efficiently using the money it gets.

Mitchell told Moorhead and Gude the park service has failed to establish an orderly method for evaluating its needs.

"This points up to me the need for better management of the park system," Mitchell said.

Mitchell also said that by at least one important measurement the park service is getting more money today than it ever has.

"The real dollars per visit is up," he told Moorhead. "From 1970 to 1977, there has been a 197 percent increase in over-all park funding and a 51 percent increase in the number of visitors."

Mitchell conceded under hard questioning that these calculations are an "extremely gross and perhaps misleading measure of the way to manage resources."

Moorhead said the number of park service employes per visitor has plummeted from one for each 27,000 visitors in 1960 to one for each 44,000 today.

Assistant Interior Secretary Reed called OMB's computations "a gross distortion of the real picture. We've added about a hundred new areas, including a number of itty-bitty historical sites that each require a superintendent, a typist and a maintenance man.

"These are high-cost facilities, in terms of the number of visitors that show up every year. For instance, 2.5 million people go through Yellowstone in 10 weeks at a cost of $2 per visitor. But it costs almost $6 per visitor to operate the little places."

OMB produced figures showing that since 1965 total park service spending has risen 181 percent—from $128.2 million to $365.5 million.

Moorhead complained that the administration is "closing its eyes to the indisputable evidence of neglect. You can see it out there. It is one thing to sit here in Washington and spout unsupported generalities, it is quite another to blind yourself to the facts."

And so the debate rages on. As it does, the backlog of deteriorating resources and facilities mounts.

In 1972, the prestigious Conservation Foundation, at the invitation of the National Parks Centennial Commission, took a futuristic look at the park system. It foresaw an ominous storm brewing.

"The national park system can be a dramatic showcase of man's proper stewardship of the earth's resources," the foundation said. "The choice is ours, whether the parks shall remain the 'crown jewels' of our outdoor heritage to be cherished, protected, preserved and worthy of our rigorous self-imposed restraints, or permitted to degenerate into the commonplace."

PROMISES, BUT NO CASH FOR PARK LAND

(By David Hess, Knight News Service)

SLEEPING BEAR DUNES, MICH.—The Indians who once roamed this breezy lakeshore on the northwest lip of Lower Michigan told a doleful tale about the towering sand dunes that dominate the landscape.

A mother bear and her two cubs, so the legend goes, were swimming in Lake Michigan when darkness and a storm separated them. The mother, frantic and exhausted, finally swam to shore and stationed herself at the water's edge to wait for her lost cubs.

The cubs never made it, and now they are known as South and North Manitou islands, forever adrift in the windblown lake. And mother bear, a restless, groaning, shifting dune, eternally awaits them on the shore.

In this small corner of Michigan, where birch and aspen and fir dot the boggy moraine that abuts the sandy shore, there has long been restless discontent.

Some even say that the troubled spirit of the great Sleeping Bear infuses all who live or come to play here.

For Sleeping Bear has become a symbol of the fiscal strain and planning headaches that have accompanied the rapid expansion of the national park system over the past 15 years.

Like a prairie fire raging almost out of control, park service acquisitions have spread to every part of the land—from Cape Cod, Mass., to Big Cypress, Fla., from Gateway, N.Y., to Golden Gate, Calif., from Cuyahoga Valley, Ohio, to Big Thicket, Tex.

Some 99 new parks, monuments, historical sites, seashores, lakeshores and recreation areas have been added to park holdings, including 23 in the past three years. And pressures still mount for Congress to add more.

Last year dozens of bills were introduced in the House and Senate to add new holdings.

Congressional appropriates to acquire and develop these lands, then to staff and maintain the new parks, have lagged far behind Congress' propensity to create the parks on paper.

Director Gary Everhardt said the National Park Service's acquisition backlog now approaches $500 million worth of land purchases—for parcels that, on the average, are escalating in value from 10 to 15 percent a year.

Beyond that, the park service's 145-member cadre of land acquistion specialists has been overwhelmed by the enormity of the task confronting it—identifying, classifying, appraising and negotiating the purchase of tens of thousands of properties in every imaginable shape and condition.

So swamped had the acquisition teams become that the park service asked for and got emergency help from the Army Corps of Engineers' acquisition division.

Sleeping Bear Dunes has become a rather dubious monument to the park system's burgeoning sprawl.

When it first became apparent, more than 10 years ago, that Sleeping Bear, a strip of incomparable lakeshore—stretching some 35 miles from Crystal Lake to Good Harbor Bay, and including the two Manitou islands—would become part of the national park system, doubt, anxiety and alarm spread among the local citizenry.

Farmers and small landholders feared the expropriation of their land and loss of their way of life. Cabin-owners rankled at the probable loss of their summer sanctuaries. Real estate dealers and developers foresaw the loss of a comfortable source of income.

Yet, the preservation of these dunes and the neighboring islands and lakeshore, national treasures in their own special way, came to supersede the wishes and designs of local citizens. In 1970, Sleeping Bear Dunes officially joined the swelling ranks of the national park system.

Promises were made by Federal lawmakers and bureaucrats to local landholders in an effort to soothe their doubts and fears.

They would get a fair price for their property, it was pledged, and they would get quick action on the sale of their land and homes and farms.

The government has made good on the first promise. The park service is generally paying a fair price for property.

But six years after the establishment of Sleeping Bear, fewer than half of the nearly 60,000 acres set aside for purchase have been acquired or brought under scenic easements. And folks in the Grand Traverse Bay area are steamed up about the plodding pace.

As they see it, the government has welched on its word, and they are suffering the consequences. Their land is in limbo, virtually unsellable yet increasing in value and tax valuation.

In a land where income is frequently measured on a negative scale, the squeeze is on.

Sleeping Bear Supt. Julius A. Martinek, an affable, pipe-smoking veteran of 27 years with the National Park Service, says: "We solemnly promised these people that we'd

make a rather quick disposition of their property.

"Well, here it is six years later and we're still promising them the same things. This is embarrassing to me, to the park service, to Congress, to the whole government."

As the acquisition process drags on, the park's development languishes. Since its inception, Sleeping Bear has received only $14,000 in development funds and not one dime is slated for development in the current fiscal year.

According to James Williamson, the park service's chief land buyer here, after the first flurry of purchases following the park's creation, the project ran out of money.

Pointing to a stack of file-folders behind his desk, Williamson said: "You see there $1.5 million worth of property that I could swing the deal on right now if we had the money."

Williamson said land-buying proceeded rather briskly at first. "We spent about a million dollars a month," he said, "and ran through the $19.8 million first appropriated in no time at all."

But soaring land values forced the government to pay a dearer price than originally anticipated. So the park service had to go back and ask Congress for more money.

Nearly $38 million in additional funds were authorized—but only $5 million has been appropriated so far, although President Ford is expected to sign this month a bill to supply another $3.5 million for the park.

At the present rate of acquisition, it will take another five or six years to complete the purchase program.

The lagging pace of acquisition here and elsewhere leads to higher costs for inflation-bloated land and encourages speculation by fast-buck developers and the wasteful exploitation of mineral or timber resources on land to be acquired.

Both large commercial and small-time timber cutters, for instance, are stepping up their operations on land slated for eventual inclusion in the Big Thicket National Preserve in Texas.

This means that the damage from overcutting will have to be repaired by America's taxpayers once the land becomes public property.

Commercial and industrial pressures threaten the fringe of the new Cuyahoga Valley National Recreation Area in Ohio.

Park Supt. William Birdsell is striving there to win local officials over to a development and zoning plan that will inhibit the growth of "honky-tonk" strips around the edge of the 29,000-acre forest-and-meadow enclave.

Over the opposition of Interior Secretary Thomas Kleppe and the Ford Administration, Congress is moving to take up some of the slack in the park service's acquisition program.

Both the Senate and the House have passed bills that would roughly triple the size of the federal Land and Water Conservation Fund.

As it stands now, the fund provides $300 million a year for the purchase of land related to wildlife protection, outdoor recreation, forest and range management, wilderness preservation and land conservation.

The Interior Department's Bureau of Outdoor Recreation (BOR) administers the fund, which is fed by the revenues from federal offshore oil leases, motorboat fuel taxes, the transfer of surplus property and certain recreation fees.

Oil lease revenues provide, by far, the largest single source of fund income, although the amount diverted to the fund is only a tiny portion of the total $4 billion the government gets from its oil leases.

The flow of money from the fund has been subject to wild fluctuations, from $119 million in 1971 to 1.5 million in 1974. This year it is back up again to $78 million, according to Edward Curvey, BOR budget director.

These yearly gyrations make it extremely difficult for the park service to put together an orderly acquisition program. Officials say the "feast-or famine" approach defeats the purpose of the fund, set up originally to provide a steady and reliable source of land acquisition money to encourage long-range planning and efficient management of purchase and development programs.

Rept. Roy A. Taylor (D–N.C.), chairman of the House Interior subcommittee on parks and recreation, has argued for some time that more federal income from publicly-owned, "vanishing" resources, such as oil, should be "reinvested, at least in part, in recreation and conservation projects that will benefit the public for a good long time, forever."

But the Ford administration, looking for ways to reduce the total federal budget deficit, insists that the fund remain at the $300 million level.

"This is a very important dispute," said Cleo Laton, an Interior Department budget officer. "If Congress prevails, there eventually will be enough money to make a big dent in that ($500 million) backlog of land purchases. If the OMB wins, land acquisition will continue to poke along like we've seen in the past."

Whatever the outcome of this struggle, the pressures for more and more outdoor recreation and hiking and camping opportunities are not expected to subside.

NATIONAL PARKS BEING "LOVED TO DEATH—IV

(By David Hess)

YOSEMITE, CALIF.—Leslie Arnberger gazed at the sunbaked peak, El Capitan, looming over the Yosemite Valley, and muttered, "There are a few things that not even man can destroy."

Arnberger, superintendent of Yosemite National Park, was fretting over the growing hordes of visitors that have turned his once-wild park into a teeming playground.

As the chief custodian of one of America's unique assets, Arnberger is responsible for carrying out a mandate from Congress to preserve its beauty for all generations.

Yet, with 2.5 million visitors trooping through the park each year, the struggle to preserve its natural wonders and man-made facilities grows increasingly difficult.

Arnberger is not alone in this struggle, for Yosemite is but one of a host of national parks reeling under the tide of humanity.

"One of our biggest problems is how to keep people from loving our parks to death," said Julius Martinek, superintendent of Sleeping Bear Dunes National Lakeshore in Michigan.

For the past couple years, the National Park Service and Department of Interior have been pondering whether the "carrying capacities" of some parks are reaching their upper limits.

It is a touchy and unpopular subject. It means that thousands of visitors might one day have to be turned away from certain parks.

"I can't think of a policy that would more quickly alienate the American people from the park service than that," one high-ranking official said. "People pay their taxes to support these parks and they expect to be able to use them."

Yet, the law is clear on the issue. Preservation of the parks' assets and resources takes priority over public use. And if the parks or any parts of them are threatened by chronic overuse, the park service has the authority to limit visitors or to close the parks.

Some environmental groups have complained that the carrying capacities of some parks already have been exceeded. They are insisting that the park service begin moving now to clamp down.

But the demand for public use is hard to ignore, particularly at a time when the beleaguered and underfunded agency is trying to win public support in its budget battles.

Twenty years ago, before the advent of the interstate highways and the spread of affluence among younger families, there were about 54 million visitors a year to the 188 areas in the national park system.

This year, park officials estimate, more than 260 million visitors will stream into the 286 areas under the service's jurisdiction.

"With the arrival of the Bicentennial," National Park Service Director Gary Everhardt said, "we expect a big influx of visitors this year."

The debate over preservation vs. public access is more complicated than a simple argument between taxpayers who demand a return for their money and preservationists who want to shut people out of the parks.

It goes to the very heart, says Everhardt, of the "purpose of the national parks."

In America today, he says, more and more people are seeking respite from the rigors and strains of urban life.

"People are coming to view these visits to the parks as necessities of life," Everhardt said. "Periodic returns to the earth's natural processes and refuges are coming to be regarded as important and necessary to the emotional and psychological health of our society."

Gilbert Calhoun, assistant superintendent of Great Smoky Mountains National Park, said, "Basically, what we offer is sanctuary. People, when they come to the parks, have a right to expect that they'll be able to get out into the wilderness, off the beaten track, away from the mechanization and the loud noises and sour smells of urban settings—to find seclusion and clear water unspoiled by detergents, beer cans and old tires."

The park service has been so successful in providing this sanctuary that its success is sowing the seeds of its disrepair.

The growth in the parks' popularity has imposed burdens that the system can not much longer endure, particularly in view of tight personnel and maintenance budgets.

At the highest level of the park service, where it is easier to preach the preservation gospel far away from the long lines of would-be campers at the park gates, the choice between public use and preservation if quite clear.

"I would hope," Everhardt said mildly, "that if we make an error in judgment, it's made on the side of preservation."

Nathaniel Reed, assistant secretary of Fish and Widlife and Parks said. "People enjoyment is of secondary importance, and every superintendent knows this."

But the superintendents know that eager park-users squawk when campgrounds are closed, picnic areas eliminated and trails marked off-limits. And their complaints have a way of filtering back to congressmen and park service higher-ups.

"Some of those fellows down there in Washington sometimes want to have it both ways, Martinek of Michigan's Sleeping Bear Park said. "They want us to take care of these resources but they also want us to let their constituents have fun, too."

There are a number of ways to ease the tension between these conflicting objectives.

According to Everhardt, one way is to halt development of new or expanded campgrounds and overnight facilities. Another is to limit the number of backcountry hiking and camping permits.

Another is to steer people, particularly hikers, to lesser-used parts of the bigger parks, or to direct families to parks where the carrying capacities have not been strained.

Still another is to extend park seasons so that the crowds are spread over a longer time-frame.

Finally, Everhardt says, in-park transportation control plans can be devised to smooth the flow of auto traffic, to bar traffic at certain hours in given areas, and to maximize the use of mass transit.

The park service is also experimenting with "pre-visit" plans designed to help prospective parkgoers choose a park that is better suited to their expectations and family needs.

"We need to put all of these into a total perspective," Everhardt said, "in a way that identifies the most appropriate use of each park, and then decide what each park can hold."

He and other park officials know that talk about "carrying capacities" and "appropriate uses" will be academic unless Congress and the White House provide adequate funds for park operations.

One veteran superintendent, who asked not to be "connected with this statement," put it this way: "On a sinking ship, you can't patch a two-foot hole with a one-foot plank."

VALLEY PARK PAIN FOR FEDS?—V

(By David Hess)

CUYAHOGA VALLEY.—It is hard to imagine, looking at the grassy meadows and leafy woodlands of this quiet refuge, how it came to symbolize one of the bitterest disputes in the history of the National Park Service.

A 29,000-acre sanctuary tucked between the bustle and smokestacks of industrial Cleveland and Akron, this "green shrouded miracle," as park service planners once called it, officially became a part of the national park system 18 months ago.

Then and now, the Cuyahoga Valley National Recreation Area has been, depending on your point of view, either a shining example of enlightened federal action or a red-flag warning against federal management of recreation areas near big cities.

The park service is now managing three "urban parks"; Gateway in New York City, Golden Gate is San Francisco and the Cuyahoga Valley.

There are growing pressures to add at least two more to the list: Chattahoochie River near Atlanta and Santa Monica Mountains in Los Angeles.

If those areas are brought in, says Nathaniel Reed, assistant Interior Secretary for Fish and Wildlife and Parks, "It's Katy-bar-the-door. Every congressman with a garden patch on the 'back 40' will want in, too. That's why we're hard-lining it on these Chattahoochie and Santa Monica proposals."

The park service, Reed said, is already straining under the triple burden of tight operating budgets, mounting numbers of visitors, and a mushrooming expansion program that has set land acquisition efforts back nearly 10 years.

"Frankly," he said, "what we need now is a pause—to regroup, to reconsolidate, to renovate our system."

But the Interior Department's opposition to urban parks goes deeper than that.

The department's higher echelons and the White House Office of Management and Budget (OMB) believe the federal government should not get further involved in an urban recreation program that is going to get increasingly expensive to operate.

"These urban facilities are very costly to acquire and even more costly to run," Reed said. "We believe, at a time when we haven't enough to adequately operate and protect the resources we already have, that this is something we just shouldn't do."

Reed and others admit that the urban parks already in operation are "smashing successes."

"The issue here is not whether there should be urban parks," Reed said. "The issue is who will run them."

The Interior Department's position is that states and local governments, with "seed money" from the federal Land and Water Conservation Fund for land acquisition, should develop and manage such parks.

Proponents of urban parks disagree.

Rep. Roy A. Taylor (D-N.C.), chairman of the House Interior Subcommittee on Parks and Recreation, argues that few states or cities can afford such parks.

"As far as I can tell, only the federal government has the kind of money it takes to put together these bigger, more expensive urban projects," Taylor said.

"There are some of these proposals, highly desirable ones I might add, where the states can't do it."

An aide to the Senate Interior Committee, where the debate has raged over the Chattahoochie and Santa Monica proposals, said: "The real issue is whether we're going to have them at all. Because if the federal government doesn't finance them, they won't be established, period."

It is possible that the survival of the national park system eventually will depend on the existence of urban parks.

During the debate over the establishment of Cuyahoga Valley, Rep. John Seiberling (D-Akron), a staunch advocate of federally-funded urban recreation, warned that he and other urban lawmakers were getting tired of voting for park operations that only a fraction of their constituents could enjoy.

"Year after year, members of the Ohio delegation vote money for great national parks in California and the Rockies," Seiberling said. "And yet our constituents are beginning to say, 'Are not we who put up a lot of the taxes and pay for these parks entitled to some return on our investment?'

"Ninety-five percent of your constituents and mine unless they happen to live in California, or Wyoming, or Arizona, will never see Yosemite or Yellowstone or the Grand Canyon.

"If we are going to treat all of the people equitably, if we are going to have a continuing constituency for national parks, then we are going to have to provide for the people in our most populous urban areas an outdoor recreation opportunity comparable to that we have provided for those already located near some of our great parks."

It is not simply a matter of fairness, but of politics. If the park system wants greater public support, it is going to have to put more parks where the votes are.

William Birdsell, superintendent of the Cuyahoga Valley Park, says he already discerns a shift in this direction.

"The emphasis on the old western parks being in control of policy decisions at the National Park Service is changing," he said, "because there is a growing realization that urban parks could not only relieve the crowding in the old-line parks but broaden public support for the whole system."

Moreover, Birdsell said, the balance of power on the House Interior Committee is shifting: "The congressmen there are no longer predominantly westerners. More and more of them are coming from the East and Midwest. And their interests are in parks that will serve their constituents."

Within the park system, resentment is brewing over the money being diverted from the traditional parks into the new urban areas.

Julius Martinek, superintendent of Sleeping Bear Dunes in Michigan, said: "I don't mind telling you I'm jealous as hell of the acquisition money that's going to Cuyahoga at a time when we've really scrambling to complete our acquisition program here."

National Park Service Director Gary Everhardt, a product of the old-line parks who still perceives the need for urban recreation, is sensitive to the cross-currents and conflicts within his bueaucracy.

"I don't want to do things that take away from the already established parks," he said. "We have to draw the line someplace between those areas that are nationally significant and those that are little more than your typical metropolitan park."

One high-ranking Interior Department official said that in the end, "the politicians, not park service experts, are going to decide" the urban park question.

As an example, he recalled the "inside story" of how the Cuyahoga park finally was signed into law.

"We sent a blistering veto message over to the President and strongly urged him to use it. Otherwise, we told him, the floodgates would open.

"So do you know what happened? Well, Bob Taft . . . told Ford, 'Mr. President, if you veto that bill, you'll almost be sure to lose Ohio in the election.'

"And then Rogers Mortion (then Secretary of Interior), who had hand-delivered the veto message, was asked what he thought about that. And he said, 'Mr. President, Bob's right.' And Ford scribbled his name on that bill faster than you can blink your eye."

Since the parks are extremely popular, it is likely that public pressure will override the resistance in the Ford administration to federally funded projects.

If that occurs, the question for the National Park Service is how to finance the urban parks without harming the traditional parks.

"You can't have it both ways," Everhardt said, "The bills have to be paid."

Cuyahoga's Birdsell believes that people are beginning to understand this.

"In the past, the parks have rated lower on the list of priorities than, say, defense," he said. "But I think I see signs of a change in these priorities. I know that if you put it to a vote, the parks would win hands down."

Martinek of Sleeping Bear Dunes agrees. "The people are starting to realize what a great resource we have in these parks," he said. "I just hope I'm still here on the day when the message gets to Congress, because I want to be around to help spend the money."

OHIO PARKS FACE MAN-FUND BIND

(By Richard C. Widman)

COLUMBUS.—Ohio's state park system has been thriving with more land, more visitors and more tax revenues. But there's a money pinch coming as attendance reaches the saturation point and the last capital improvement funds run out.

Only $100,000 remains from bond issues voted in the earlier administrations of Gov. James A. Rhodes, according to Ralph A. Vanzant, chief of the Division of Parks in the Ohio Department of Natural Resources.

The system is bigger than ever—198,000 acres of land and water. Attendance is up tenfold, from 4 million to 40 million in only 20 years.

The crowding poses a problem for the division, whether to continue promoting use of the parks, Vanzant said.

"We're going to have to spread out the use, to get people into parks in the spring and fall, by emphasizing winter sports, campouts, nature programs and hiking," he added.

Vanzant said it is "easier to sell Ohio on building new parks than it is on funds to maintain them."

He explained that Ohio voters seem ready to vote more money for acquisition of lands for parks, but are not ready to influence their legislators to vote funds to keep the parks in top condition.

And as the parks' acreage has grown, the maintenance dollar has been stretched, he said.

Funds for land acquisitions are exhausted, Vanzant said.

Meanwhile, attendance continues to zoom. Three parks, Hueston Woods, Pymatuning and Salt Fork, each attract some 2 million visitors annually, or about as many as the famous Yellowstone National Park, he said.

East Harbor State Park, where the main beach was destroyed by a Lake Erie storm

in 1969, has a severe erosion problem that could be curbed only by spending millions.

But no money is available for the project, he said.

Geneva State Park needs a new breakwall to protect its Lake Erie beach, which is nearly gone.

"A vast sum of money, millions of dollars, would be needed, but we don't have it," Vanzant said.

In a cost-saving budget measure, so that more money will be available for maintenance, the division has cut personnel.

Some 1,300 persons will be working in Ohio parks this summer, compared with 1,800 in the summer of 1975, Vanzant said.

The division is hiring more part-time employees than in the past, he added.

The division recently bought 1,000 acres near Chillicothe and 700 acres near Akron, and is in the process of buying about 1,200 acres on Maumee Bay at Toledo.

It recently took over operation of Malabar Farm near Mansfield from the Ohio Department of Agriculture.

The system has recently acquired some 30,000 acres of land and water from the Army Corps of Engineers projects—Alum Creek, north of Columbus; Paint Creek, in Ross and Highland counties, and Buck Creek, near Springfield.

The corps of engineers will soon transfer two projects to Ohio for state parks—Caesar's Creek, south of Dayton, and East Fork of Little Miami River, near Batavia.

MCPL EDUCATION FUND SPEAKER SERIES—TALK TO DR. ZBIGNIEW BRZEZINSKI ON "REFLECTIONS ON THE PREMISES AND PRIORITIES OF AMERICAN FOREIGN POLICY"

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SEIBERLING. Mr. Speaker, today I am placing in the RECORD a summary of the introductory remarks of a discussion meeting on May 19, 1976, when Dr. Zbigniew Brzezinski discussed with Members of Congress and their staffs the question of what should be the premises and priorities of U.S. foreign policy.

Dr. Brzezinski is a well-known authority on international affairs and Soviet studies. He is the Director of the Trilateral Commission, the Director of the Center for the Study of International Change, and is a professor of international affairs at Columbia University. He has been an active scholar and governmental adviser.

Dr. Brzezinski's talk on U.S. foreign policy premises and priorities comes at a time when many of us are reassessing our foreign policy. It is one of a series of talks with leading experts sponsored by the MCPL Education Fund all dealing with the theme "New Directions in Foreign Policy, Defense Policy, and Arms Control Policy.

In response to requests from Members of Congress and the public who desire to study them at length, I have placed summaries of this talk and earlier talks in the RECORD and will put future summaries in the RECORD after various speakers have completed reviewing them for accuracy. The text of Dr. Brzezinski's remarks follows:

REFLECTIONS ON PREMISES AND PRIORITIES IN AMERICAN FOREIGN POLICY

In looking at its international position, the United States confronts the spectre of global isolation, a situation without precedent in our history. For much of our history, the United States, our values, our outlook, and our very existence have been a liberating factor in the world. This has imbued our foreign policy with a compelling force. This has changed dramatically. Now, much of the world sees us as opposing change, obstructing change. Worse, many Americans see the world as being fundamentally hostile to our values.

This is troubling, because a world of emancipated nation-states should not be something threatening to American values. There has, however, been for the public the intellectual attraction of yielding to a simplifying principle such as the Cold War. This principle was often true, but it did not help us to recognize the Sino-Soviet split or the development of polycentrism among Communist states. The new image the public holds is that of a "Hostile World," a coalition of Afro-Asian states allied against us. This image means divorce from global change, it means isolation, and it is wrong.

This philosophical divorce is threatening to us, because in our self-imposed isolation, we may create the very condition that we fear, and thus reduce our capacity to deal with international problems, while at the same time creating an intersection of East-West issues with North-South issues, which is now occurring frequently.

If we don't develop a more differentiated response capability to this intersection, our policies will inevitably fail. Two examples:

The Middle East. It began as a regional conflict between the Arabs and the Israelis, and first escalated into an East-West conflict, and subsequently into a North-South confrontation as well, as the anti-Zionism resolution at the United Nations clearly demonstrated.

Angola. Many of our Angolan errors stemmed from the fact that our policymakers saw it as an East-West conflict, while it was also a North-South conflict. Secretary Kissinger's Lusaka speech was a courageous one, but it should have been made over a year ago.

This intersection of North-South and East-West issues is a serious problem, and in some areas, such as Central America, unless we are both smart and wise, they will in the future present an even more serious problem to us.

This is why we cannot afford a hostile world, which is much of our own making. The Third and Fourth Worlds are differentiated: radicals and moderates, rich and poor. What all of this calls for is a truly massive architectural effort in the field of our foreign relations, on the scale of the one we undertook at the conclusion of World War II. We need a wider international system, responsive to the fact of 4 billion people in the world, and more than 100 independent nation-states. What we did after 1945 was to promote peace, free trade, and an Atlantic-centered alliance. What we need now is more than peace, more than free trade, and more than an Atlantic Community. We have to establish some sort of global equity. There is no conflict between liberty and equity.

In this large scale architectural effort, there are three areas of priority:

1. *Trilateral Co-operation.* We should pull much closer to Japan and Western Europe. These are also the countries that have systems which reflect universal democratic values. Economic and political stability require this strengthening of ties.

2. *Reform of the North-South Relationship.* We must fulfill the promises of the Seventh Special Session of the United Nations General Assembly. This calls for massive efforts by the Congress and the Secretary of State to recognize the needs of Third World states, and to assume responsibility for helping to meet those needs.

3. *Stabilize the East-West Relationship.* Negative public reaction to détente is due to the loss of illusions foisted on the people by the American government. The Russians never deceived us about détente. They always said that there would be mixed co-operation and conflict. We were the ones who were talking about a "generation of peace." The United States and the Soviet Union are separated by differing historical forces, and the conflict will be with us for a long time. That is why it is not a good idea to base our whole foreign policy on détente.

If we succeed in these three areas, then we can expect to have a far more responsive foreign policy. The public is susceptible to simple and direct formulas, but it is the task of leadership to make them understand the nuances. And the public wants interdependence to be articulated to them.

In the past year, there has been a sense of growing public confidence in America; the isolationist point-of-view has not prevailed. There is likely to be public support for U.S. engagement with the rest of the world.

We need to adjust to an interdependent world; the U.S. needs to co-operate rather than confront the rest of the world, particularly in the economic sphere.

If we do not, it may have implications for our society. It would be difficult to sustain the moral fabric of American society if we get engaged in a conflict with states we see as hostile, but which are also poor, suffering, envious, and have established a moral claim of some legitimacy.

In the short run, there is not the slightest doubt that if we move towards a confrontation, we will prevail. But, in the longer run we will have lost what we are all about. We began as an experiment in freedom, and in certain kinds of values.

PERSONAL EXPLANATION

(Mr. MIKVA asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MIKVA. Mr. Speaker, I was unable to be present for the last vote of the Friday, June 18, 1976, session of the House of Representatives. Had I been present, I would have voted "yes" on rollcall No. 412, final passage of H.R. 14239, the fiscal year 1977 appropriation for State, Justice, Commerce, and the Judiciary.

SOLAR ENERGY—HERE IN THE DISTRICT OF COLUMBIA NOW

(Mr. OTTINGER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, the article below from the Washington Star describes the solar energy system recently installed in the Eastern-Liberty Federal Savings & Loan Association at 336 Pennsylvania Avenue in the District of Columbia.

Contrary to the assertion of some of our colleagues that solar energy is only for the far-distance future, this is an example of a technology that is ready to go into operation right now and, indeed is operating right outside our doors. It illustrates the compelling need for us to move forward with similar systems in Federal buildings everywhere. Surely we should be leading the country forward with this exciting technology in our own housekeeping.

Congressman GUDE and I introduced the "Conservation and Solar Energy-Federal Building Act" last July. This bill H.R. 8711 and its similar companions would require that buildings financed with Federal funds utilize the best practical measures for the conservation of energy and the use of solar energy systems. I hope that my colleagues will join Congressman GUDE and I and the 80 sponsors of H.R. 8711 in moving this legislation forward.

CAPITOL HILL GETS FIRST SOLAR PLANT

(By Aaron Ruvinsky)

Tom Harrison, president of the Eastern-Liberty Federal Savings & Loan Association, first voiced interest in solar energy as a factor in the institution's projected headquarters building toward the end of 1973, when the energy crunch was very much in people's minds.

"I was interested in it as a method of energy saving," says Harrison, who has been with the S&L for 42 years and has been its president for 12. "But I was just as interested in it as a contribution to the theory of solar heating and from the point of view of public relations for the savings and loan."

As Eastern-Liberty moved its main office two blocks east from 4th Street and Pennsylvania Avenue SE this week, it was too early to tell how big a fuel saving will result. But there's little reason to doubt that the solar system will be a success, all things considered. "Although the installation cost $40,000, it replaces $20,000 worth of roofing, leaving a net expense of only $20,000," Harrison said.

"All domestic hot water will be provided by the solar plant," explained Loren Sage, partner-in-charge for the Mills & Petticord Partnership, architect of the building at 600 Pennsylvania Ave. SE. He was referring simply to water from the restroom taps.

Whether from modesty or lack of experience with the system isn't clear, but the building's engineering firm would hazard no guess as to the saving on fuel. Harrison said perhaps 15 to 20 percent.

"But not all the saving comes from the solar system," a spokesman for the engineering company said. "Closed loop, water-to-air electric heat pumps are scattered around the perimeter of the building. Some of the heat, even in winter, will be taken from interior areas and redistributed to outside areas."

Another innovation is in the decision to use a single faucet for most of the lavatories, the water being heated by the sun to 105 degrees. For those needing warmer or cooler water, one sink in each restroom will have the conventional two faucets.

The business end of the solar system consists of ninety 3-by-6-foot panels along the south side of the mansard roof. Made by PPG Industries, each is double glazed to admit most of the sun's high-frequency waves, while trapping most of the lower-intensity radiation from the copper plate. Water picks up the heat in half-inch copper tubing which snakes down the solar collector until it is carried into a 4,000-gallon tank in the "penhouse" behind the panels.

Solar engineers often stress the importance of conservation, and the architects have given this due weight. Said architect Sage:

"To minimize heat loss we have used small windows except on the main floor. Here the windows are double-paned, but on the upper four levels we have used single panes in double-hung sash-type windows."

Added the engineer: "Radiation will be reduced by Venetian blinds or curtains. Insulation is very good, with 2-inch rigid insulation inside the masonry walls, for a U value of .13, and 3 inches beneath the roof, for a U value of .1.

"When the temperature is as low as 19 degrees outside, the heat pumps will be able to warm the inside to 75 degrees, and when it's 90 outside (76 degrees wet bulb), they will cool it to 75, with 60 percent relative humidity."

Of the building's $5 million cost, $800,000 has gone into the plumbing, fire protection and other mechanical systems.

The building has 90,000 square feet of space on the five above-ground floors and 60,000 below grade, including two levels of parking for 250 cars. Most of it that isn't being used by the savings and loan—parts of the first two floors and one underground level—has been rented to such tenants as Commonwealth Title, the American Legislative Exchange Council, the California governor's office, Colorfax Labs and a travel agency.

Eastern-Liberty has made its peace both with the city's motorists, with a drive-in window, and its handicapped. Doorways are accessible to wheelchairs, and the bathrooms are designed to be convenient for those who are partially disabled.

John F. Donohoe & Son supervised the construction, which was contracted by Glenn Construction.

A SALUTE TO AMERICA

(Mr. ALBERT (at the request of Mr. BONKER) asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. ALBERT. Mr. Speaker, in this Bicentennial Year it is only fitting that we should look to the future as well as the past. Let us not forget that tomorrow's leaders are today's young adults.

With this in mind, it is with a great deal of pride that I would like to submit an essay by 17-year-old Scott Allen of Oklahoma City. This essay was the winner of a statewide patriotic essay contest sponsored by the Fraternal Congress Chapter in Oklahoma City. I think it is a very fine essay on patriotism and freedom, and an excellent "Salute to America."

A SALUTE TO AMERICA

"Rome was not built in a day," but like most glorious civilizations was the product of many centuries of evolution and progress.

The United States, just a mere child compared to the majority of other nations, is truly a unique land. In roughly three centuries she has outshone all of mankind's greatest past achievements, while advancing the idea of individual freedom to a degree unknown beforehand, be it in ancient Greek city-states or the "Peoples'" Republic of China.

Most Americans today enjoy a far better life than any of their ancestors or even contemporaries overseas. Almost all adults have the privilege to vote and select our government's leaders and policies and every year adds more personal freedoms to the already-abundant list.

The original freedoms granted by the Constitution and the Bill of Rights are continually being reviewed and reexamined by the Judicial System to insure that the laws of our nation keep pace with its people and activities. The last fifty years have seen the slogan, "All men are created equal," put into reality. Women, minority groups, children, and almost every other social, economic, or political group has been granted the rights once reserved for a small landed aristocracy.

America thrives on optimism. It was optimism and hope that led our forefathers to this "wilderness" and this same feeling prevails today, be it in the open countryside or the urbanized city. Everywhere across the United States, people are trying to make this country into a better environment.

Many times we scoff at the word "patriotism" or the thought of being patriotic. Perhaps we feel it is being too sentimental or "corny" to bother with. Yet we still take an active role in trying to earn an honest living or participate in the nation's affairs and decisions.

Patriotism can be defined in thousands of different ways in every existing language, but it all condenses to a single thought process which can become an integral part of any person's life, regardless of creed, color, or political aspirations.

Love of country is a natural virtue that anyone can acquire, especially in a land like the United States, where almost any viewpoint is tolerated and a person is free to work for his or her leading cause, be it "left," "right," "radical," or "conservative."

Only through patriotism can any beneficial changes be accomplished, and there are many problems left for man to solve. The future of our country and perhaps our whole world depends on us and our devotion to the American system of ideals.

Freedom will only remain as long as we are willing to take the time and effort to support and defend it. Patriotism is up to you and me.

"COAL SLURRY PIPELINE—13" SEPARATING FACT FROM FICTION

(Mr. SKUBITZ asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SKUBITZ. Mr. Speaker, beginning with May 26, 1 have called attention to the House of a bill, H.R. 1863, the Coal Slurry Pipeline bill, which is now pending before the House Interior Committee. This bill would grant Federal powers of eminent domain to the slurry pipelines.

I have discussed the question of eminent domain, this can be found on page 15521 of the May 26 RECORD; the fact that this is transportation legislation not energy legislation, page 15878 of the May 27 RECORD; the railroad capability of handling the increased coal production, page 16078 of the June 1 RECORD; the effect of coal transportation on railroad economic viability, page 16246 of the June 2 RECORD; on June 4, I spoke of the railroad industries innovative handling

of coal, this is on page 16740; on June 7 I spoke of the slurry pipeline lobby, which is on page 16805; June 8 I spoke on the question of whether a study by the Office of Technology Assessment should precede congressional action on a slurry pipeline bill, this is on page 16902; June 10 I spoke on the fact that railroads can haul coal without the need for new laws, this can be found on page 17594; June 11, 1 spoke on how slurry needlessly exploits valuable water resources, which can be found on page 17839; on June 16, I spoke the subject of how slurry pipelines are environmentally unsound, this can be found on page H5815; on June 16, I spoke on the inability of the slurry pipeline to be a common carrier, this can be found on page 18719, and on June 18 I spoke on the danger pipelines pose to consumers, this can be found on page 19313.

Today I intend to discuss the problem of separating fact from fiction on the pipeline.

This is the last of the series of presentations I have planned on the subject of H.R. 1863, the Coal Slurry Pipeline Act. I doubt that it is the last time I will address myself to the subject.

However, I think it appropriate, at this time, to attempt some sort of summation of the points I have raised and attempt to see where they lead us.

First and foremost, it should be clear that H.R. 1863 is not an energy bill. It is a transportation bill and should be considered in light of its effects upon the Nation's transportation system. I believe that the evidence shows that those effects would be deleterious—that the construction of coal slurry pipelines could damage our common carrier railroads, to the detriment of all who depend upon rail service.

This, alone, would be enough reason for the defeat of this legislation.

It should also be clear that the operation of coal slurry pipelines would create a massive and continuing drain on western water resources that have long been a source of concern. A single pipeline would export 6.5 billion gallons of water a year from Wyoming. Pipeline promoters have offered no solution for this problem. Instead, they have maintained that there is no problem—or if there is, it is not relevant to the legislation.

This alone, would be reason enough for the defeat of this legislation.

Pipeline proponents have failed to demonstrate a public need for their services. Independent sources have agreed that railroads can develop sufficient capacity to handle all increases in coal production. Nor have pipeline promoters succeeded in making a convincing case that their operations would benefit the consumers of electric power. The only set of comparative rate figures which have been offered by the promoters can be easily shown to be based on faulty calculations.

And the promoters' assertion that their operations would provide some form of rate discipline for the railroads has been shown to be the reverse of the truth. In fact, the pipelines' operations, based, as they would be, on exclusive throughput contracts, would actually bring about a reduction in competition and would likely force railroad rates higher on the traffic remaining to them.

These factors, alone, would be reason enough for the defeat of this legislation.

Grave questions have been raised—but not really answered—about the potential threat to the environment posed by the possibility of pipeline breaks, about the comparatively greater energy requirements of pipeline operations and about difficulties in the dewatering process, which have resulted in centrifuge jam-ups, incomplete burning and fire danger.

I have discussed the opposition to this legislation by environmentalists, farmers and ranchers. It has been noted that slurry backers have failed to obtain the right of eminent domain on the State level in key States.

This, too, would be reason enough for the defeat of this legislation.

I have discussed the ways in which pipeline proponents have engaged in sly games with the Congress, with the Government and with the public. They have obtained a government grant to perform a study in their self-interest. They have attempted to discredit—through legal maneuvering—studies which were not to their liking. And they have engaged in an attempt to head off a truly independent study of the issues by the Congressional Office of Technology Assessment.

This—to my mind—would be reason enough for the defeat of this legislation.

The proponents of coal slurry pipelines have come to the Congress seeking the Federal right to eminent domain. This right has never been granted in analogous circumstances. To justify such unprecedented action on the part of the Congress, the proponents should be required to prove an overwhelming public need for their services.

The have not proven it.

To justify such action, they should be required to demonstrate public benefits that could be achieved in no other way.

They have not done so.

Instead, they seem to base their pleas to the Congress on assertions of equity that turn out, upon examination, to be demands for privilege.

Taken in total, the record does not show a public interest in the construction and operation of coal slurry pipelines. Rather it shows that the construction and operation of coal slurry pipelines would threaten injury to the public interest.

Taken one by one, the reasons for refusing to grant special privilege to the builders of coal slurry pipelines are convincing.

Taken in total, I believe they are compelling.

MORE SURPLUS PROPERTY TO STATE AND LOCAL USERS

(Mr. RANDALL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. RANDALL. Mr. Speaker, I take this time to announce that I have joined with eight committee colleagues of the Committee on Government Operations to sponsor a new bill, H.R. 14451, entitled "To amend the Federal Property and Administrative Services Act of 1949 to permit the donation of Federal surplus personal property to the States and local organizations for public purposes, and for other purposes." The bill would establish an orderly, efficient, and fair system under the guidance of the General Services Administration for bringing together numerous separate, overlapping Federal programs that now lend or give excess and surplus personal property to State and local users.

The new bill represents the language which the Government Activities and Transportation Subcommittee approved at our meeting, June 18, 1976. It incorporates a number of important amendments, but these amendments do not change the basic thrust or structure of the prior bills, H.R. 9152 and H.R. 9593, on which hearings were held last year.

Let me say now, that as chairman of the Subcommittee on Government Activities, I appreciate those members of the majority and minority who have supported this legislation so well.

This legislation actually got its start about 4 years ago. An 11-member interagency task force reviewed the problem of too many uncoordinated, uncontrolled programs of various Federal agencies for distributing Federal excess and surplus property to local groups. This report is entitled "Recommendations of the Ad Hoc Interagency Study Group on Utilization of Excess Federal Property". It was dated January 7, 1974. It recommended legislation to give the Government's chief property management agency, GSA, overall responsibility for guiding excess and surplus property distribution to State and local groups.

Since the 1974 report, the problem which sparked the study has become worse. In September 1974, a new program suddenly appeared on the scene. Regional action planning commissions were given independent and early access to the best of the property so as to lend or give it to local groups for whatever represents economic development. That program has snowballed. As the good property items are snapped up by the regional commissions, other, older programs within the regions and outside them are suffering badly.

The situation cries out for orderliness, and elimination of waste and unbalanced distribution. The purpose of the bill we recently introduced is to correct that situation, yet, at the same time, to preserve the opportunities of all recipients of earlier property programs for a fair share of the property resource.

There are a lot of experienced and dedicated people who have worked long and diligently on the legislation. I believe it represents a substantial consensus of those who have contributed from the legislative branch, the executive branch, and the States themselves.

It does five main things:

First, places virtually all property programs for State and local users into one system;

Second, preserves all the benefits enjoyed under the earlier programs, and at the same time makes the program nationwide and assures eligibility for prop-

erty to all public agencies, and private nonprofit educational and public health institutions;

Third, gives GSA the guidance responsibility for the consolidated program;

Fourth, gives the States and their Governors more responsibility and discretion in the donation process; and

Fifth, requires GSA to keep track of the program and report annually to Congress—something not now done under the present mix of programs.

One of the most important implications of this bill is this: On the basis of serious discussions with GSA, we believe that once GSA is charged with overall responsibility for the new program, the full weight of its vast experience and resources will be brought to bear. The result will be that more property will pass to the States than would ever have been possible under the present unstructured, fragmented arrangement.

Mr. Speaker, H.R. 14451 promises substantial benefits to the people at relatively little cost. I look forward to early favorable action by our Committee on Government Operations so that this much-needed legislation may be brought before the House.

At this point I should like to insert the more detailed remarks on the proposed legislation that I offered at the recent meeting when our subcommittee approved this legislation, as follows:

MEETING OF SUBCOMMITTEE ON GOVERNMENT ACTIVITIES AND TRANSPORTATION, OF COMMITTEE ON GOVERNMENT OPERATIONS: CHAIRMAN RANDALL, MISSOURI, PRESIDING

Mr. RANDALL. First let me assure the members of this subcommittee that the proposed revision of the new surplus property donation bill does not change the basic thrust or structure of H.R. 9593.

The legislation deals with personal property (equipment and supplies) that Federal agencies no longer need for their own use. This includes excess property (which one agency no longer needs but another may) and surplus property (which no agency needs).

Each year Federal agencies generate about $4 billion of such property, as measured by original acquisition cost. Much of that property is valuable for use by State and local organizations. Many are receiving such excess or surplus property today, paying only costs of care and handling.

But, the facts are that the Federal programs through which the property reaches these local users are independent and managed by separate Federal agencies with little or no coordination. (For example, the Department of Commerce has two independent property programs relating to economic development.) Furthermore, recipients of excess property taken directly from holding agencies skim the cream from the available property pool and thereby seriously disadvantage other recipients eligible only for surplus property.

Because of the multiplicity of property programs, there is neither central machinery nor nationally guided planning. The need is increasingly urgent for statutory authority to coordinate all these programs and place them in a rational, orderly, efficient, and equitable system. That, then, is the fundamental objective of the proposed legislation.

To accomplish this, the bill builds on the general structure adopted by Congress in the 1959 Federal Property Act, which established the Federal donable property program (section 203(j) of the Act). Under it, surplus personal property is transferred to State surplus property agencies, from which it can be donated to local organizations for education, public health, and civil defense. Not only is the section 203(j) program the oldest, but it is the broadest, most versatile, and most tested. It is the only program truly national in scope and impact, as well as the only one for which an annual report to Congress is required.

Thus there are available an existing system and organization, which the bill would expand with new purposes and new categories of eligible recipients. In this way, the benefits of the previously existing programs would be continued.

The new system should actually enable more property in the aggregate to reach the local beneficiaries than before, since efficiency will increase as duplication, waste, erratic impact, and imperfect screening and distribution diminish. The feast for some eligible groups will no longer threaten famine for others with equal need for the Federal Government's helping hand.

GSA's role in the future under this legislation, if passed and signed into law, would be to:

1. Take the basic responsibility to lead and guide the new program, while consulting with local interests and working through the States.

2. Make fair and equitable allocations of available property to the States on the basis of need and utilization.

3. Receive a Governor-approved plan of operating for each State agency, such plan to conform with guidelines and requirements set out in bill before Administrator may transfer property.

4. Maintain and provide information on available property.

5. Transfer property to State surplus property agencies for distribution by donation to eligible recipients.

6. Make formal donations of the property.

7. Report annually to Congress on the program.

If this bill becomes law the role of each State would be to:

1. Receive property through a special State surplus property agency (all States have one now as a result of section 203(J) program).

2. Develop a State plan of operation conforming to the bill's guidelines and requirements and submit a plan, with the Governor's approval, to the Administrator.

3. Use its State agency to screen available property at Federal holding agency sites both for itself and for other States with which it cooperates. (GSA will offer assistance.)

4. Use its State agency to arrange for or perform variety of logistical duties, including transportation, communication, warehousing, repairs, distribution, end-use checks, accounting, and reporting.

5. Through its State agency, assess, if desired, reasonable service charges to recipients for logistical services.

6. Follow, if desired, its own property accounting and inventory control systems.

It should be pointed out that the scope of donation purposes and eligibility will be as follows:

1. Property may be donated to promote such public purposes as conservation, economic development, education, parks and recreation, public health, and public safety.

2. Besides public agencies (which the bill defines broadly), eligible groups include private, nonprofit and tax-exempt institutions. The latter are not restricted to institutions cited as examples in the bill but would include others having educational or public health relevance like museums.

3. So that the various programs may be brought into the new system, excess property would cease to be available to any agency for transfer to their project grantees. This change would not apply, however, where—

A. The grantor agency pays 25 percent of the original acquisition cost of the item,

B. The property is for the cooperative forest fire control program,

C. The property is for federally recognized Indian tribes,

D. The property is classified as scientific equipment, or

E. The property is used by aid under the Foreign Assistance Act.

4. The recently enacted regional excess property program (section 514 of the Public Works and Economic Development Act of 1965) is affected. Under this authority, regional action planning commissions established by the Secretary of Commerce may obtain excess property in order to distribute it locally by loan or gift for economic development purposes. The regions now are seven in number and cover the whole or part of 31 States. (Areas not covered include Appalachia.) As part of bringing these seven separate and regionally operating programs within the new system, the bill repeals section 514. Nevertheless the bill contains several provisions to preserve and enlarge property benefits for local economic development purposes.

OSHA MOVING TO MEET CONGRESSIONAL DIRECTIVES

(Mr. OBEY asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. OBEY. Mr. Speaker, most, if not all, Members of Congress have been very concerned about the well-known problems of the Occupational Safety and Health Administration. On the one hand, OSHA has created unnecessary and unwarranted problems for the business community and on the other, it has failed to attack many of the most crucial health and safety problems facing workers.

In past years there have been repeated attempts in both the House and Senate to restrict OSHA in various ways in hopes of at least minimizing the damage being inflicted by the agency, if not furthering the goal of job health and safety. Unfortunately, these attempts generally created more problems in the end than they resolved and at the same time failed to get at the heart of what is really wrong with the program.

Last December, your Appropriations Committee took action in what I believe is a much more positive manner. In the conference report on the Labor-HEW appropriation bill, the House and Senate committees directed the Secretary of Labor to take the following actions:

(1) Immediate steps to dramatically upgrade the skills of OSHA inspectors through intensive retraining. This retraining should be conducted irrespective of a possible reduction in the number of inspections completed during the coming year and should accomplish the following objectives:

(a) provide each inspector with a clear sense of priorities as to which workplace hazards pose the greatest threat to the health and well-being of workers

(b) provide inspection procedures to insure that citations, fines and abatement orders are based on those priorities

(c) provide a clear understanding of the meaning of each OSHA standard by all inspectors and develop the technical skills necessary to concentrate enforcement efforts on workplace hazards which pose the greatest threat to the well-being of the workers, particularly in the area of health.

(2) Review and simplification of existing OSHA standards and elimination of so-called "nuisance standards" or standards which do not deal with workplace conditions that are clearly hazardous to the health or safety of workers or are more properly under the jurisdiction of State Departments of Public Health.

(3) Redirection of enforcement program to place increased emphasis on problems related to worker health. The Conferees note that the overwhelming number of inspections have been in the field of safety despite reports by the Administration that deaths due to occupational health problems exceed 100,000 per year while problems involving safety account for 11,000 deaths a year.

(4) Substantial redirection of inspection efforts away from industries with good worker health and safety records so as to permit increased inspection in industries with the greatest health and safety problems.

(5) Development of fine-free on-site consultation programs which are available to employers throughout the United States, are clearly understood by employers and are staffed by competent consultants qualified to advise employers of the application of OSHA standards in their workplace. An evaluation of the on-site consultation program shall be completed within three months of the enactment of this bill and shall be transmitted to the House and Senate Appropriations Committees.

While no one would deny that the agency has a long way to go in meeting these directives, I think it is fair to say that a real good faith effort has been initiated, which is described in the following report from Secretary of Labor Usery on the Department's progress in meeting the directives of the fiscal year 1976 Labor-HEW conference report.

REPORT FROM SECRETARY USERY ON DEPARTMENT'S PROGRESS IN MEETING DIRECTIVE OF LABOR-HEW CONFERENCE REPORT

A. UPGRADE THE SKILLS OF OSHA INSPECTORS

This activity describes the actions taken to upgrade the skills of OSHA inspectors through intensive retraining. These actions encompass the full range of areas that affect inspection skills—from hiring guidelines to a career development program.

Background

To achieve its goal of reducing injuries and illnesses, OSHA depends to a great extent upon the effectiveness of the compliance officer inspecting the workplace for violation of standards. Previously, inspector effectiveness has been measured by numbers of inspections and citations. Efforts to achieve higher numbers obscured the need to focus upon serious hazards, especially those in the health area where more time per inspection is usually required. Also, in this earlier period, training of compliance officers was reduced to a minimum. Inspections and citations reflected the knowledge and skills that were already available—those in the area of safety. Inadequate training and inspection procedures resulted further in instances of varied interpretation of standards and citations, fines and abatement orders unrelated to the seriousness of the hazards. Therefore, the Conference Committee directed OSHA to "dramatically upgrade the skills of OSHA inspectors through intensive retraining" irrespective of a possible reduction in numbers of inspections. This training is authorized under section 21(b) of the Occupational Safety and Health Act of 1970.

Accomplishments in fiscal year 1976

Fiscal year 1976 actions primarily involve planning and development in the following areas:

Career program.—A career program will be established for compliance officers to anticipate and meet continuing and future personnel needs with the highest quality staffing and to provide foreseeable career opportunities that will attract, develop and retain qualified employees in key positions. An outline for a three-year career program for health compliance officers has been developed, incorporating both classroom training and field experience. During the first year, these apprentice health compliance officers will rotate between the field and twelve weeks of classroom training. New compliance officers will literally be signed off by senior compliance officers on individual, generic types of establishments.

Hiring guidelines.—Guidelines for use by national office managers and OSHA Regional Administrators when hiring safety and health compliance officers have been drafted. OSHA currently employs 1000 safety compliance officers, but only 135 health compliance officers and 113 health compliance apprentices. The number of health compliance officers will be increased to at least equal the number of safety compliance officers by hiring all new compliance officers in the health area. Due to changes in the field of industrial hygiene, the Civil Service Commission qualification standards present an obstacle to hiring industrial hygienists and industrial hygiene trainees. OSHA is seeking relief from these standards in three areas: (1) a temporary waiver of current education and specialized experience requirements; (2) establishment of special salary schedule for industrial hygienists; and (3) direct hiring authority. Due to the extreme shortage of occupational health manpower, OSHA must hire many individuals with similar backgrounds and carefully train them to be industrial hygienists. For safety compliance officers, structured cooperative work-study programs and upward mobility programs are being considered.

Crossover training.—All safety compliance officers will receive an intensive, two-week period of classroom training in industrial hygiene so they will be able to recognize and refer to health compliance officers problems uncovered in the industrial hygiene area. This training is currently being developed with assistance from NIOSH and the first class is scheduled for July 1976. After classroom training, safety officers will receive further on-the-job training from senior industrial hygienists.

Relating skills.—The professional regard in which the compliance officer is held at the first contact in an inspection is crucial to the effectiveness of the inspection. Training is being developed for all compliance officers to improve their ability to deal with employers and employees and their civil law enforcement skills.

OSHA Training Institute.—The training program for both new and experienced compliance officers will be restructured to ensure a higher level of occupational safety and health skill and knowledge, including the recognition and control of the most hazardous workplace conditions. The length of the basic safety and health courses will be increased from four to six weeks. The length of several technical courses will be increased and new courses will be developed on an industry specific basis. This will permit a much clearer understanding to be developed of priorities among workplace hazards, inspection procedures, and the meaning of each standard. An instructional laboratory to be used in connection with industrial hygiene courses and safety demonstration laboratory will be established at the OSHA Training Institute. Since the current facility is inadequate to accomplish these expanded programs, a different facility will be sought. On an interim basis, a search is currently underway for a relocation or expansion of the Institute in its current geographical area. OSHA compliance officers who are experts in their fields will be identified and will teach at the Institute. Plans for identifying the experts have been developed.

Professional meetings.—OSHA compliance officers have begun to attend professional meetings once every two years in order to exchange information with their colleagues.

Objectives for fiscal year 1977

Career program.—The twelve weeks of training for the first year of the industrial hygiene apprentice program will be developed and instruction will begin. Field assignments will be specified. A career development program for all compliance officers will be developed and issued.

Hiring guidelines.—Hiring guidelines for safety and health compliance officers will be issued. Hiring of health compliance officers to fill all new positions will continue.

Crossover training.—Two weeks of occupational health training will be provided to each safety compliance officer with accompanying field assignments under the direction of a senior industrial hygienist. Course materials will be available for States to train their compliance personnel.

Relating skills.—Training for compliance officers in relating to employers and employees and in civil law enforcement skills will be developed and offered.

OSHA Training Institute.—Expanded basic, technical, and industry specific courses will be developed. The Institute will be relocated on an interim basis and a study to determine the most effective permanent location will begin. Funds will be requested for the permanent relocation. Experts among OSHA compliance officers will be identified and begin instruction at the Institute.

Summary evaluation

OSHA is employing a variety of approaches to achieve a uniformly high level of technical competence on the part of compliance officers. Short-term evaluation of these approaches will entail objective pre and post testing to determine the increase in skill and knowledge levels achieved by the training courses and on-the-job training. In addition, OSHA will follow-up with compliance officers and their supervisors to determine the relationship of training received to job performance. Finally, the ultimate measure of effectiveness, pending better data on the incidence of disease and accidents, will be the number of people removed from risk in each inspection.

B. REVIEW AND SIMPLIFICATION OF OSHA STANDARDS

The Occupational Safety and Health Administration (OSHA) is inaugurating a new procedure to revise certain of its safety standards to make them more relevant to the needs of American working men and women. This initiative, announced in the *Federal Register* on April 23, 1976, is designed to supplement present methods of obtaining data and views from persons affected by these standards and to expand the opportunity for public participation at the earliest stages of OSHA's decision-making process. In this endeavor, OSHA is seeking to enlist the participation of industry, labor, and others.

Background

The standards which appear in 29 CFR Part 1910, commonly referred to as the general industry standards, were promulgated on May 29, 1971, pursuant to section 6(a) of the Occupational Safety and Health Act of 1970. This section allowed OSHA, during its first two years, to adopt as OSHA standards national consensus and established Federal standards without regard to the normal rulemaking procedures which provide for public comment and hearings. Experience with the standards since that date has revealed a need for revision. Comments from the Congress, industry, labor, and others affected by the Act have suggested, among other things, that certain of OSHA's requirements lack clarity and relevance to employee safety, are too specific and therefore limit

methods of compliance, or are protective of a population larger than employees alone.

Considerable staff effort which has been expended in drafting revisions has, however, been hampered by a general lack of data and information on which to formulate proposals more relevant to worker safety and health. The national consensus standards from which the 6(a) standards were derived are based on an amalgam of informed opinion and industry practice, and not necessarily on hard data and substantial evidence.

New procedure

The new procedure will enable OSHA to more effectively draw upon the knowledge of experts and those who through their experience in occupational safety and health, as well as with section 6(a) standards, can provide OSHA with the best available evidence on which to base proposed revisions. Acquisition of this data and information through public participation would occur at the inception of the standards development process and before a definitive strategy to regulation of particular hazards is adopted. If this procedure is shown to provide the data and information desired for the initial candidate standards to be considered, it may be applied in the future. Its application in this instance, however, is not deemed to be a precedent and it will not automatically apply to the revision of every OSHA standard.

The new procedure commences with a notice published in the Federal Register (Appendix), soliciting data and advising interested parties of informal information gathering meetings on particular subparts of Part 1910 to be held in various locations around the country. In addition to comment and discussion on individual sections and subparts, interested parties are asked to address certain general issues concerning the standards promulgated under section 6(a) of the Act and to suggest different approaches that OSHA might take in the area covered by the subpart to better effectuate worker safety. The general issues which appear to be common to all of OSHA's safety standards and on which comment is desired include:

1. Some commenters have been critical about the alleged complexity and incomprehensibility of OSHA's safety standards. How should particular provisions of the standards be simplified or clarified.

2. Whether particular provisions of OSHA's safety standards should be deleted because they are of marginal relevance with regard to employee safety. This would include standards which represent overregulation and are directed toward either property protection or safety of the general public.

3. Whether there are any gaps in the existing OSHA standards. Some commenters have suggested that there are gaps in the present OSHA standards, both as to hazard and kinds of American workplaces. A recent example of such an alleged gap is the area of commercial diving.

4. Whether particular provisions of the standards should set forth specifications which must be met by employers or should require a level of performance for ensuring employee safety. Comment has been generated concerning the performance versus the design or specification type of standard. Many have alleged that OSHA's present safety standards are too design-oriented, and that the design requirements are not always necessary for employee protection. Further, many have suggested that design-oriented standards are prone to become obsolete quickly, and as a consequence, pose a potential roadblock to the growth of new technology.

5. Another facet of the issue above is the dual problem posed by incorporation by reference of certain consensus standards and building, fire, and other specification type "codes" into OSHA standards, thus making compliance with such codes mandatory. Some commenters believe that OSHA should publish the entire text of the codes so as to give better notice of the requirements of the standard. Others have also suggested that OSHA should immediately update its standards when the referenced codes are revised—sometimes more than once a year. The latter problem, e.g., frequent revision of referenced codes, is of particular concern to the agency because such revisions would constitute major rulemakings.

6. Whether there are ways of developing new standards which would continue to protect employees in light of rapid advances in technology and the introduction of new industrial processes. As new methodologies and techniques are developed, new hazards may be created.

While any interested party may choose to participate in the information gathering meeting to address orally the issues raised in the preceding listing as well as others, those persons with substantial evidence and data are requested to submit such information in writing during the comment period. The meeting will be conducted in as informal a manner as possible to encourage meaningful dialogue and will be chaired by an OSHA representative.

At the conclusion of the comment period and meetings, OSHA will evaluate all data and informed opinion elicited. If warranted on the basis of this analysis, a proposal will be developed and published in the *Federal Register* and the provisions of section 6(b) of the Act will be followed during the balance of the rulemaking process.

The procedure outlined above is designed to achieve several objectives. First, it provides an opportunity for the public to comment substantively on entire standards which, for the most part, have not been subjected to the constructive and rigorous scrutiny of the general public rulemaking procedures. Second, it will provide OSHA with a more definitive basis for future rulemakings. It is hoped that all those interested in the standards—legislators, Federal and State safety specialists, academic and professional experts, and affected employers and employees—will choose to participate in this pre-posal stage through the submission of written comments and relevant data.

Initial candidates for new procedure

The first standards to be considered under the new procedure are: Subpart D, Walking and Working Surfaces; Subpart L, Fire Protection; and 1910.111. Anhydrous Ammonia. The selection of these candidates was based on assessments as to which projects were best suited for this procedure. In each case, extensive staff work has been done, and the broad application of Subparts D and L to nearly all workplaces should stimulate public interest in the revision process.

Comments on the three groups of standards should be submitted, within 60 days, to the Director, Office of Standards Development, OSHA, U.S. Department of Labor, Rm. N-3718, 200 Constitution Ave., N.W., Washington, D.C. 20210. To make sure comments are directed to the appropriate officials, those on walking-working surfaces should be directed to Docket D; Fire Protection, Docket L; and Anhydrous Amonia, Docket AA.

Advance written notice of any person wishing to make an oral presentation at any one of the meetings should be sent to the same address, along with the docket designation. The notice should identify the person and/or the organization intended to testify, the amount of time requested for oral presentation and the subject mater, along with a brief summary.

Each meeting will begin promptly at 10 a.m. Evening sessions will be held from 6:30 to 8:30 p.m. The meetings, grouped by subject, are to be held:

Walking-working surfaces

June 8–10: Executive Hotel, Terrace Room, 1055 First Ave, San Diego Calif. 92102.

June 15–17: Sheraton O'Hara, 6810 N. Mannheim, Rosemont, 111. 60018.

June 22–24: Branniff Place, Terrace Suite, 6th Floor, 1500 Canal St., New Orleans, La. 70104.

June 29–July 1: U.S. Department of Labor OSUA, 35th Floor, 1515 Broadway, Room 3560, New York, N.Y. 20035.

Fire protection

June 9–10: Tower House, Garden Lounge, 8th & Market, San Francisco, Calif. 94102.

June 16–17: Fairmont Hotel, Ross and Akard Sts., Gold Room, Dallas, Tex. 75201.

June 23–24: Fanueil Hall, Merchants Row, Fanueil Square, Boston, Mass. 02201.

Anhydrous ammonia

June 17–18: Holiday Inn, 5202 Brady St., Davenport, Iowa 52804.

June 24–25: Marriott Hotel, 6363 Hamden Ave., Denver, Colo. 80222.

Further information on the new procedure is available at (202) 523–7216/7225.

Job safety fact sheets

Background

Since occupational safety and health standards are promulgated as regulations, they must be both technically sufficient and legally complete. The totality of standards, including those incorporated by reference (e.g., the National Electrical Code), are voluminous. As a consequence, the ordinary small business employer or employee without expert knowledge or assisatnce is frequently frustrated in attempting to determine which standards apply to his workplace, and may experience difficulty in interpreting and applying them. Experience indicates, however, that the average small business employer (and his employees) need be concerned with only a relative handful of these standards. Job Safety Fact Sheets (and the counterpart Job Health Hazards Series) describe and explain in lay language the standards which most commonly apply.

Accomplishments in fiscal year 1976

A survey of MIS inspection reports for firms with 25 or fewer employees has identified 61 standards which account for the great majority of all safety violations cited in small businesses. Seventeen of these pertain to sections of the National Electrical Code (National Fire Protection Association 70–1971). A series of Job Safety Fact Sheets have been drafted and will soon be published which illustrate the electrical standards commonly violated, describe electrical hazards and the general conditions under which these hazards exist, list various "do's and don'ts", and provide checklists for evaluating safety conditions in a workplace as they relate to electrical hazards (Appendix —). Fact sheets are being drafted for approximately 21 more standards covering other types of safety violations, and additional fact sheets are planned.

In addition to the Job Safety Fact Sheet series, pocket booklets have been widely distributed covering in simple terms approximately 90 percent of the basic applicable standards for general industry, the construction industry, and longshoring. OSHA has also developed a series of booklets and pamphlets covering such topics as organizing a safety committee, OSHA inspections, SBA loans for OSHA compliance, how OSHA monitors State plans, essentials for machine guarding, etc. The Job Health Hazards series addresses the occupational hazards of industrial carcinogens, vinyl chloride, carbon monoxide, lead, and mercury. Additionally, the National Institute for Occupational Safety and Health (NIOSH) has developed a series of health and safety guides for a number of industries, e.g., grain mills, bulk petroleum plants, grocery stores, retail bakeries, auto repair and body shops, service stations, and sporting goods stores. Health and safety guides for 21 industries have been published. Most of the items described above

are available free of charge from OSHA and NIOSH regional offices.

Objectives for Fiscal Year 1977

The publication of fact sheets and guides for additional types of hazards, businesses, and occupations will greatly facilitate the efforts of employers and employees to maintain a safe and healthful workplace. They will also reduce the anxiety which many small business employers feel concerning the possibility of an OSHA inspection. A major difficulty is the need to make employers (and employees) aware of the availability of these publications, and to deliver them into the hands of the intended users. During FY 1976–77 it will be OSHA's objective to develop improved systems for communicating or "marketing" these materials to the ultimate beneficiaries. Employer associations and labor organizations have been an excellent source of support and cooperation in this effort.

Job safety fact sheets under development

Subject

Equipment Connected by Cord and Plug.
Guarding of Live Parts.
Identification.
Prohibited Areas.
Fixed Equipment.
Effective Grounding.
Alternating Current Circuits and Systems to be Grounded.
Pull at Joints and Terminals.
(Flexible Cords.)
Location in Premises.
Splices.
Use and Installation.
Electrical Connections.
Portable and/or Cord-and-Plug.
Connected Equipment.
Marking.
Working Space about Electrical Equipment (600 volts or less).
Fixed Equipment (Specific).
Welding, Cutting, Brazing.
Flammable & Combustible Liquids.
Medical Services & First Aid.
Abrasive Wheel Machinery.
Hand and Portable Powered Tool.
Personal Protective Equipment.
Housekeeping & Sanitation.
Mechanical Power-Transmission Apparatus.
Machine Guarding.
Recordkeeping.
Woodworking Machinery Requirements.
Handling Materials.
Eye and Face Protection.
General Machine Requirements.
Overhead & Gantry.
Powered Industrial Trucks.
Means of Egress.
Scaffolding and Guarding.
Spray Finishing.

C. REDIRECTION OF THE ENFORCEMENT PROGRAM (HEALTH)

Background

Since its inception, OSHA has understood the necessity of concentrating its limited inspection resources on the areas of greatest need. In 1971, five industries were selected for the Target Industries Program (TIP) because of their particularly high injury frequency rates due to the known existence of safety hazards. These industries were: lumber and wood products, roofing and sheet metal, miscellaneous transportation equipment, meatpacking, and water transportation services. In January 1972, the Target Health Hazard Program (THHP) was implemented to focus on five substances known to be hazardous in the industrial environment. These substances included asbestos, carbon monoxide, cotton dust, lead and silica.

Since the major emphasis of OSHA was primarily in the area of safety, health hazard inspections took second place. Resources to carry out such inspections have consequently been limited in comparison with resources allocated for safety. Also lacking in the health compliance effort has been any form of highly specialized technical support, critical to the validation of health hazard findings. The recent kepone and lead issues clearly brought out these shortcomings. In an effort to eliminate these deficiencies, OSHA is currently upgrading its health compliance program.

Identification of problems

To resolve these problems, it was determined that the following tasks were required and should receive top priority:

Development of detailed technical procedures for the conduct of health inspections;

Provision for technical support to OSHA field offices, e.g., engineering feasibility guidelines and toxicity information;

Development of abatement agreement procedures for use in situations where immediate or short term abatement is technologically unfeasible;

Resolution of defects in employee complaint procedures defined in section 8(f) and 11(c) of the Act;

Refinement of classification of health violations;

Design of a uniform and locatable case file system.

Remedial actions underway:

Work is underway on the foregoing projects as well as additional activities geared toward upgrading OSHA's health compliance program.

A revision of the Field Operations Manual (FOM) has been initiated. Heavy emphasis has been placed on the chapter concerned with health inspections. The revised FOM will provide specific instructions to be followed in the conduction of health inspections. This project will be completed in FY 76.

A training program to upgrade the current staff of industrial hygienists will be undertaken, and is described earlier in this report. A training program to provide safety inspectors with basic skills in the health inspection program will also be developed and implemented in FY 76 and 77.

Expanded laboratory support capabilities has been started to handle the increased number of health inspections.

A program to upgrade the quantity and quality of instrumentation has been initiated.

To support OSHA's health inspection program in the field, especially in the area of engineering feasibility, steps are being taken to establish technical support capabilities for implementation within 12 to 18 months.

To administer a uniform and effective abatement program, the National Office will develop a detailed procedure to ensure the proper monitoring of the abatement agreements with employers. The procedure will be issued in FY 76.

Steps have been taken to remedy the defects in the employee complaint procedure Section 8(f) and 11(c). New instructions have been issued and their implementation will be monitored.

Detailed instructions on the classification of health violations will be developed, i.e. serious vs. nonserious. Revisions of the penalty system are also under development. A draft of the revised classification of violations procedure was submitted to NACOSH for their consideration. The project will be completed in FY 76.

A uniform and effective case file system will be developed and instituted in FY 76.

Program models for scheduling both safety and health inspections will be developed and tested to assist in the administration of field operations. In the interim period, OSHA will issue guidelines to employers to assist in the protection of workers from exposure to a select number of hazardous chemical substances and will initiate an intensive program of inspections of all industries associated with such hazards. One such concentrated inspection effort involving Kepone has already been undertaken, and another, involving lead, is in the planning stage. This program will constitute OSHA's primary effort in the health area during FY 1977.

D. REDIRECTION OF INSPECTION EFFORTS—HAZARDOUS INDUSTRIES

Background

Program purpose

The OSHA Field Performance Evaluation System (FPES), consisting of a regional planning guide, program evaluation measures, field observation checklists and a program review and analysis process, is currently being revised. The regional planning guide established the method for identifying on a "worst first" basis, those industries to which a significant share of OSHA inspection resources should be concentrated. The current revision will further redirect inspection efforts away from industries with relatively good worker health and safety records into industries having the greatest health and safety problems.

Need

OSHA has resources to field only a relatively small compliance inspection force. At the same time, this program must provide coverage to workers in over five million establishments. Our primary need, therefore, is to accomplish this task in the most effective manner possible through refinement of the "worst first" inspection scheduling concept.

Accomplishments in fiscal year 1976

OSHA's existing inspection scheduling policy has been based on a priority system by which fatality and catastrophe inspections have the highest priority, followed by complaint inspections, follow-up inspections and general schedule inspections. Currently general schedule inspections cover each industry to some extent by applying an inspection programming priority system which is based on BLS OSH survey data generated for each State. The process for establishing the planned number of general schedule inspections for each industry in a state followed these steps. Each industry was rated by a hazard index formed by the product of the BLS industry rates, recordable cases, and lost work days. From this hazard index, each Area Office's industry inspection penetration was projected to cover all industries with very high hazard indexes at least once a year. It is important to note that this system was based on a "coverage" policy which provided some probability of an OSHA inspection in every industry covered by the Act.

FISCAL YEAR 1977

Worst First Inspection Programming Strategy.—Currently, planning is underway on a revised scheduling procedure incorporating a purely "worst first" strategy for scheduling OSHA inspections. BLS data and employment-establishment data at the State level will be used to select industries for inspection concentration on a "worst first" basis. Under this strategy, establishments in those

industries with the highest injury/illness frequency rates and numbers of employees exposed will be allocated virtually all available/general schedule inspection resources. The remaining industries will be inspected little, if at all on a general schedule basis. However, accident and complaint investigations will still be done on a priority basis in all industries. In addition, the National Emphasis Program to be implemented in FY 1977 will ensure 100% coverage of all sizes of establishments in the foundry industry over approximately the next 18 months. An example of worst-first inspection programming milestones for the state of Idaho are shown on the following charts.

While this strategy will reduce protection to workers in low hazard industries and particularly to those in small establishments, this seems a worthwhile price to pay for the substantially increased concentration in those industries where the highest number of fatalities, injuries and illnesses occur. The value of this system has, to some extent, been substantiated by recent experience of the State of Idaho. A similar scheduling priority list has been in use there for several years with the result being a consistent decline in that State injury/illness frequency rate between 1972 and 1974.

IDAHO SAFETY DATA SHEET FOR 13 SELECTED INDUSTRIES

Industry	Emp./ average[1] (A)	Est. average[1] (B)	Injuries average[2] (C)	BLS rate[3] (D)	WC rate[4] (E)	Est. rate[5] (F)	Penetra. rate (G)
1. 2,011*	822	28	648	50.2	78.8	23.1	171.4
2. 241*	2,240	213	1,173	33.3	52.4	5.5	12.7
3. 2,421*	6,618	111	2,566	29.4	38.8	23.1	136.9
4. 379*	3,185	27	2,436	65.9	76.5	90.2	248.1
5. 15	3,915	468	1,217	21.2	31.1	2.6	37.4
6. 161	1,120	157	487	20.2	43.5	3.1	21.0
7. 162	1,526	106	583	23.9	38.2	5.5	98.1
8. 203	8,779	22	1,746	16.5	19.9	79.4	286.4
9. 333	878	4	698	13.1	79.5	174.5	25.0
10. 541	5,531	402	657	9.0	11.9	1.6	10.7
11. 551	3,905	192	765	15.6	19.6	4.0	45.8
12. 58	11,452	1,107	937	8.4	8.2	0.8	0.1
13. 806	4,406	22	559	14.6	12.7	25.4	63.6

[1] Use 1973 CPB data.
[2] Average of 1972–74 workers compensation.
[3] Per raw BLS State rates (1973).
[4] Injuries (C) divided by employment (A).
[5] Injuries (C) divided by establishments (B).
[6] Sum of inspections 1972–74 (MIS) divided by establishments (B).
*Included in original target industry program.

Classifying violations and proposing penalties

OSHA is proposing to clarify its instructions on the classification of violations in order to assist field staff in distinguishing serious hazards from other hazards. OSHA is also considering a revision of its penalty system to assure that penalties accurately reflect the threat to workers posed by specific violations, as well as the size, good faith and history of previous violations of the business in violation.

Background

The legislative history of the Occupational Safety and Health Act of 1970 indicates the intent of Congress that the Department of Labor focus its enforcement activity on those hazards which pose the greatest and most serious threat to workers. Evidence cited by the GAO and the Senate Sub-Committee on Labor in 1974, and supported by OSHA's own internal investigation in 1975, indicates that OSHA field staff have cited a lower proportion of violations as serious than the proportion of serious hazards in the workplace. Major reasons for that disproportion apparently include: (1) the difficulty of identifying the most hazardous establishments for inspection; (2) the ease with which most non-serious violations can be identified (e.g., failure to check the charge of fire extinguishers annually), as compared with the difficulty of discovering many serious violations (e.g., workers near high-voltage wires without protection): and (3) the misclassification of serious violation as non-serious violations.

In order to improve the focus of its enforcement action on the most serious workplace hazards, OSHA is taking action to address these problems.

Efforts to address the first two problems are described elsewhere. The evidence that violations have been misclassified has focused attention on the need for two program activities: (1) Clarification of OSHA's instructions for classifying violations as serious or non-serious, primarily through an expanded explication of the definition of serious violation in section 17(k) of the Act; and (2) consideration of revisions to the current penalty system for serious violations to permit penalties to reflect the differences in danger to workers which is posed by serious violations of differing gravity. The proper classification of violations will enable field staff to place primary emphasis on the discovery and elimination of serious hazards. A penalty system in which the size of the penalty reflects (among other factors) the degree of danger to workers posed by a hazard will result in equitable penalties which tell employers how grave their violations are considered to be.

Fiscal Year 1976

A Task Group on the Classification of Violations, beginning in each 1975, analyzed information from statistics on the classification of violations. These included a review of the standards most frequently cited by field staff (from reviews of field office case files) and from discussions with field staff. The analysis revealed several points at which OSHA classification instructions have been misinterpreted or misapplied. In early FY 1976, the Task Group developed proposals for correcting misinterpretations and for controlling the classification of violations more carefully. The conclusions and recommendations of the Task Group were set forth in a report in January, 1976. This report was submitted to the Compliance Subgroup of the National Advisory Committee on Occupational Safety and Health (NACOSH) in January 1976. The Sub-group has discussed and heard public comments on the Task Group proposals (as well as other issues) at four public meetings. The Sub-group will submit its comments on the recommendations to the full NACOSH body on May 3, 1976. The recommendations of NACOSH will be considered in the development of final proposals to be presented to the Assistant Secretary on May 20. Any revisions required by the Assistant Secretary will be made in late May and early June.

Training for field staff to assure their understanding of the clarifications and newly-established procedures will be initiated in July and August. Implementation of the new procedures should begin by early September 1976.

Based on findings of the Task Group on the Classification of Violations, on findings of field office reviews, on decisions of the Occupational Safety and Health Review Commission (OSHRC), and on comments from field staff, a paper on issues involved in possible revisions to the current penalty system for serious and non-serious violations was prepared in January 1976, and submitted to the NACOSH Sub-group on Compliance. A staff proposal for revising the penalty system in light of these issues was submitted to the Sub-group in March.

A major issue discussed in the paper was whether penalties for serious violations should be based in part on a determination of the relative gravity of each violation. Currently, all serious violations are considered to be of sufficient gravity that they merit the maximum penalty permitted by the Act ($1,000), though that penalty may be reduced up to 50 percent on the basis of establishment-size, good faith, and the firm's compliance history. The proposal assumes that there are significant differences in the degree of danger to workers between a situation in which there is a low possibility that an employee would lose a finger and a situation in which there is a high possibility that an employee could lose his life. The proposal should provide for a range of "unadjusted penalties"—perhaps $300–$1,000—to reflect these differences in the threat to workers. The "unadjusted penalty" could still be reduced for small businesses. It could also be reduced for evidences of "good faith" and an absence of previous violations, except in instances in which the gravity of the violation is very high.

On May 3–4 the NACOSH Sub-group will submit to the full Committee its comments on the OSHA staff proposal in relation to the issues discussed in the paper. The time frame for proceeding with a decision on the penalty proposal and the implementation of any aspect of it which is approved will be the same as that for the proposal for clarifying classification procedures.

E. FINE-FREE CONSULTATION FOR EMPLOYERS

Consultation services are provided for employers by State agencies in 35 States and jurisdictions. In addition to those States without consultation, some States do not have the expertise to consult in the specialized area of occupational health. OSHA has funded two programs on a pilot, demonstration basis to determine the feasibility of using colleges and universities to provide consultation services. Private contractors are also being asked to submit proposals for providing Federally-financed consultation services in non-plan States.

Background

The House and Senate Appropriations Conference Committee requested, in its report on H.R. 8068 (concerning Fiscal Year 1976 appropriations), that OSHA develop fine-free, on-site consultation programs, which are available to employers throughout the United States, are clearly understood by employers, and are staffed by competent consultants qualified to advise employers of the application of OSHA standards in their workplace. Consultation activities are authorized by Section 21(c) of the Occupational Safety and Health Act of 1970.

OSHA has been unable to provide a direct Federal program of on-site consultation nationwide due to legal interpretations that require the issuance of a citation when violations of OSHA standards, and rules and regulations, are observed in a workplace by any authorized representative of the Secretary. Prohibited from using Federal staff, OSHA has turned to the States to provide this service. Currently, 22 out of 23 States with 18(b) plans approved by OSHA offer on-site consultation to requesting employers. An additional 13 States contract with OSHA through the 7(c)(1) mechanism of the Act to provide on-site assistance to employers. In both situations OSHA reimburses the State for 50 percent of the cost of the programs. There remains 21 States and jurisdictions in which on-site assistance to employers is not being provided.

The need for consultation has been demonstrated by the many complaints of employers concerning OSHA's complex, voluminous standards which because of their technical and legal working are frequently difficult for employers, especially small businessmen, to interpret and apply to their establishments. Also, the perception many small businessmen have of OSHA is distorted by fear and misunderstanding. It is felt that consultation will minimize these perceptual barriers and reduce the fear and anxiety. By means of the on-site consultation, employers will be made aware of the hazards and potential dangers to workers existing in their workplaces, the applicable standards, and means for assuring a safe and healthful workplace in the future.

I. FEDERAL CONSULTATION PROGRAM

OSHA intends to use States as the prime deliverers of consultation services, However, the inability of some States to undertake such an enterprise necessitates seeking other means by which the service can be made available to employers in those States.

As a substitute for State activity, OSHA is pursuing the possibility of contracting with private consultants, academic institutions, professional societies, insurance organizations, etc., to provide employers with on-site aid and assistance. OSHA will initiate a prototype contract consultation program as part of the National Emphasis Program. The results of that effort will determine the feasibility of private sector contracts to provide consultation in States without consultation arrangements. This mixture of federal support of consultation through matching grants to States with approved plans, contracts with additional States lacking approved plans, and contracts with private sector groups in the remaining States, will meet the need as defined by the business community and Congress to provide nationwide on-site consultative assistance.

Accomplishments in fiscal year 1976

FY 1976 marked the beginning of a concerted effort by OSHA to develop a nationwide capability to provide employers, especially those from small business, with on-site consultative assistance. The Steiger Amendment to the FY 1975 Labor-HEW appropriations bill authorized the expenditure of up to $5 million for contracts with States without 18(b) State plans to provide consultation services. Currently, there are 13 States which are contracting with OSHA under Section 7(c)(1) of the Act to provide on-site consultation services. Two 7(c)(1) agreements have been terminated. New Mexico terminated its agreement in order to enter into an 18(b) plan which includes consultation. Mississippi terminated its Agreement because of legal problems in the State. (A description of the 7(c)(1) consultation program is contained in the appendix.)

Another significant milestone during FY 1976 was the development of a consultation strategy as a part of OSHA's new National Emphasis Program (NEP). The NEP consultation effort is significant in that it provides a prototype for a truly integrated nationwide consultative program. For the first time, a nationwide network of on-site consultation for employers will be provided which will include:

1. 18(b) Plan States
2. 7(c)(1) States
3. Private Sector contracts in the remaining States

A Request for Proposal (RFP) has been submitted for funding which outlines the types of services which OSHA is seeking to purchase from private sector groups (Appendix). Under this contract, on-site consultation will be provided for the NEP by contractor staff in States without consultation programs. Additionally, in 7(c)(1) contract States which lack sufficiently trained manpower resources (especially in the area of health hazards), the contractor will serve as a supplemental resource to serve the demand for consultative services. The contractor will be required to provide highly qualified and experienced occupational safety and health professionals, including as appropriate, Industrial Hygiene Engineers, Industrial Hygienists, Safety Engineers, Safety Specialists, etc. These consultants will provide analysis and advice to employers on the recognition of occupational safety and health hazards, the monitoring and sampling of health hazards, and the application of OSHA's standards, rules and regulations.

Cumulative national data for the 7(C)(1) consultation program for the period July 1, 1975 to March 31, 1976, derived from regional staff reports, indicate the following:

1. Requests:
a. Number of requests, 7,487.
b. Nature of requests:
(1) Specific, 25%.
(2) General, 75%.
c. Type of requests:
(1) Phone, 88%.
(2) Written, 12%.
2. Number of visits made, 5,837 (78%).
3. Backlog, 1,650 (22%).

Summary national MIS data for the period July 1, 1975 to January 31, 1976 indicate the following additional characteristics of the 7(c)(1) workload.

1. Size of business requesting consultation:
1 to 25, 63%.
26 to 49, 12%.
50 to 100, 11%.
100 above, 14%.
2. (a) Visits (as % of requests)—69.5%.
(b) Size of business visited (as % of visit total).
1 to 25, 66%.
26 to 49, 11%.
50 to 100, 10%.
100 or above, 13%.
3. (a) Backlog (as % of request)—28.8%.
(b) Backlog by size (as % of request total).
1 to 25, 16%.
26 to 49, 12%.
50 to 100, 12%.
100 or above, 16%.
4. Requests presumedly handled over phone.

Individual State activity data for the 1st, 2nd, and 3rd quarters of FY 76 and other background data are included in the appendix.

Cumulative data is not readily available for 18(b) states since summary State data is submitted for each 6 month period subsequent to the date of plan approval, and programs have been operating for any period up to three years. Individual State data for the 1st and 2nd quarters only of FY 1976 are included in the appendix.

Objectives for Fiscal Year 1976–77

Based on the program assessments from our Regional offices, the following are considered our next order of priority:

1. Increased productivity per consultant
2. Revised program documents and procedural guides
3. Fully operational data system
4. Formalized plan for monitoring by Regional staff of State effort and performance
5. Policy and procedure for workplace evaluation of consultants adequacy of performance

In terms of the 18(b) Plan States, on-site visits by OSHA monitors have been performed and generalized reports prepared in terms of the States' achievement of the planned activities and are available on a 6-month basis. Regional offices monitor:

1. Handling and incidence of serious violations
2. Handling and incidence of imminent danger
3. Quality of recommendations offered

In order to improve the overall effectiveness of the consultation program operation in both 18(b) plan states and 7(c)(1) contract states, and to provide for the effective management of a "private sector consultation contracting" activity, the following needs to be addressed:

1. A coordinated model for a universal consultation program for all 56 States and jurisdictions, including program features, operating procedures, and resource requirements—and including a planned step-by-step conversion program to this model from the current situation.

2. A coordinated monitoring system for operations during the conversion period, and operations under the model produced in No. 1 above, for operation at the OSHA Regional level in terms of effort, timeliness and accomplishment under the grant/contract, and at the OSHA National level in terms of those overall criteria required for successful national program operation.

3. A coordinated data collection and reporting system for use under current, conversion and model operational periods, which parallels and interfaces with other OSHA/BLS workplace record systems, and which contains the capability to demonstrate employer profile data by location, industry, size, hazard, etc. and can be incorporated for use in program evaluation activities at the national level.

In order to develop a national design for consultation which will give states and OSHA clear indication of what the key elements of their performance must be, and the level of service that is to be provided, a Task Force has been established which will develop a consultation program model to provide the basis for upgrading, improving, and making more comprehensive existing consultation projects. To assist OSHA staff in this effort, OSHA has contracted with three safety and health experts to:

A. Assess existing 7(c)(1) and 18(b) activities.

B. Develop a detailed program design covering:

1. Nature and type of service to be offered.

2. Essential elements of a consultation visit.

3. Appropriate consultant techniques at the workplace.

4. Criteria for selection and hiring of consultants.

5. Industrial Hygiene requirements.

6. Consultant training requirements.

7. Establishment of a program evaluation plan.

C. Development of procedures and timetables for the implementation of the program design.

D. Provide recommendations on consultation program policy.

This activity will commence in May 1976 and conclude with a written report no later than September 1976.

In an effort to immediately upgrade current operating programs and to facilitate utilization of the new national model during FY 1977, OSHA will organize and conduct a consultation workshop at which managers of 7(c)(1) and 18(b) State programs will discuss program operations, accomplishments, problems and possible solutions. Within the next 60 days, OSHA will issue a series of Program Directives which will give direction to the States in terms of:

(a) Procedures in imminent/serious hazard situations.

(b) Defining the consultation/inspection relationships.

(c) Prioritizing requests from employers in terms of size of business and hazard category.

(d) Expansion of the industrial hygiene capacity of existing contracts.

During July–September 1976 (after one full year of operation) OSHA staff will initiate on-site evaluations of consultant's performance in the 7(c)(1) states through a modified procedure based on current 18(b) monitoring activity.

Summary evaluation

The consultation program is in its infant stages. While progress has been made in terms of servicing an increasing number of employer-initiated requests for consultation there remains a need to evaluate the nature of requests to date and the effectiveness of OSHA responses. A set of goals can then be developed together with specific tasks needed to achieve these goals. In this way, OSHA will have developed a fixed direction indicative of progress and a set of yardsticks which, if met, will constitute real achievement.

II. ON-SITE CONSULTATION THROUGH COLLEGES AND UNIVERSITIES

In addition to the Federal programs of on-site consultation administered through State agencies under matching grants (18(b) States) or 50–50 cost-sharing agreements (7(c)(1) States), and the procurement of consultation services for employers from private contractors in additional States, OSHA has funded two programs on a pilot demonstration basis to determine the feasibility of using college and universities to provide consultation services. If the pilot programs prove effective, it is anticipated that additional colleges and universities will use the materials developed to offer similar extension programs serving employers within their States and communities.

Accomplishments in fiscal year 1976

OSHA has awarded contracts to the American Association of Community and Junior Colleges (AACJC) that included $200,000 for a pilot consultation program, primarily in occupational safety, and a $450,000 contract to the American Industrial Hygiene Association (AIHA) that provides for occupational health consultation. Both of these pilot programs are operational.

Community Colleges

In the AACJC contract, two community colleges, Valencia Communiy College in Orlando, Florida, and Triton Community College in River Grove, Illinois, were selected to offer consultation, based upon Regional support and numercial rating of the proposals compared to predetermined criteria. Eligibility was limited to institutions previously selected to offer occupational safety and health training under the contract and located in States without consultation provided under Sections 18(b) or 7(c)(1) of the Act.

Although all consultants under the project are experienced safety personnel and Certified Safety Professionals, they attended a 3-week course for consultants at the OSHA Training Institute. They also received on-the-job training from 7(c)(1) and 18(b) consultants in other States.

The enclosed manual of procedures, regulations and forms (Appendix) was prepared based upon those in the 7(c)(1) and 18(b) programs. Priorities for scheduling consultations were established favoring small businesses and high hazard industries.

Actual consultations began in early March 1976 at both institutions. Valencia has conducted 45 consultations and, as of April 15, had 38 requests that will be filled. Valencia's staff hopes to provide approximately 320 consultations by mid-October 1976 when the consulting activity ends under the contract. Triton conducted 30 consultations and had 11 additional requests that will be filled. The goal for each of the institutions is 200 consultations. This is not a contractual number, however, due to the experimental nature of the project and to the variables of establishment size and travel distance that can greatly affect numbers.

Since this is an experimental program, it is being monitored and evaluated carefully at several levels. The two participating institutions have developed self-evaluation plans, the AACJC Project Director and the consultants on her staff are making trips to the institutions, and the OSHA COTR will visit the institutions. The Regions involved will also monitor the project.

Universities

AIHA subcontracted with five Universities to provide occupational health training and consultation services. Eligibility of institutions to participate in the contract was not limited by the existence of a 7(c)(1) or 18(b) plan. The five institutions selected on a competitive basis to participate in the project were: Temple University, University of North Carolina, University of Cincinnati, Texas A&M University, and the University of Washington at Seattle.

Each of the consultants is a professor with education and experience in industrial hygiene. Thus, consultant training was not provided under this effort because of the qualifications of the personnel.

Consultations are limited to health hazard identification. The walk through the establishment and observation of activity are followed-up with a written report sent to employer. Small businesses receive priority over larger establishments. AIHA estimates that, on the average, one-half of a professional workday is spent per consultation.

The contract was originally signed in June of 1974. Between that time and December 1975, a total of 147 consultations were provided by the five participating institutions. Under amendment 3 of the contract, which extended the contract, it is expected that at least 200 more consultations will be provided between January 1976 and June 1977. Of these, approximately 40 were provided from January–April 1976. There is no backlog of requests; most are satisfied soon after they are received.

OSHA plans to obtain through contract an external evaluation of the project. Internal evaluation is conducted by the AIHA contract monitor.

Objectives for fiscal year 1977

The need for consultations still exists, particularly for the small business community, which often must provide a safe and healthful workplace with limited technical knowledge or financial resources. With the awarding of the AACJC and AIHA contracts, consultation activities through colleges and universities were undertaken on an experimental basis by OSHA for the first time, and future objectives for consultation will very much depend upon the results achieved in these pilot projects.

After these projects have been evaluated, OSHA will use this information in preparing future consultation objectives in order to insure the most efficient, effective program possible.

Summary evaluation

In response to many criticisms received from the small business sector and to the request of the House and Senate Appropriations Committee, OSHA initiated consultation programs on an experimental basis, through contracts with AACJC and AIHA. Employer response to this service has been encouraging. As of this date, approximately 262 consultations have been conducted as a result of these two contracts. The projects are being evaluated and future consultation activities will be determined by these evaluations.

FISCAL YEAR 1977 LABOR-HEW APPROPRIATION BILL

(Mr. MICHEL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MICHEL. Mr. Speaker, the Labor-HEW appropriation bill will be coming upon the floor on Wednesday, and in order to permit the Members to become well informed ahead of time as to its contents, I would like permission to insert in the RECORD at this point an all purpose table providing a line item breakdown of the amounts in the bill. The committee report does not contain such a detailed breakdown, and the information thus will not be readily available without this table. The table follows:

FISCAL YEAR 1977 LABOR-HEW APPROPRIATION BILL (AS REPORTED BY HOUSE APPROPRIATIONS COMMITTEE)

SUMMARY TABLE

	1976 appropriation	Budget request	1977 bill	1976 bill versus	Bill versus budget
Department of Labor	$10,415,010,000	$9,519,096,000	$10,065,224,000	−$349,786,000	+$546,128,000
Department of Health, Education, and Welfare:					
Health Services Administration	934,614,000	647,558,000	981,021,000	+46,407,000	+333,463,000
Center for Disease Control	244,017,000	109,583,000	121,728,000	−122,289,000	+12,145,000
National Institutes of Health	2,302,069,000	2,165,047,000	2,440,778,000	+138,709,000	+275,731,000
(NIH—research institutes)	(2,203,500,000)	(2,088,179,000)	(2,321,910,000)	(+118,410,000)	(+233,731,000)
Alcohol, Drug Abuse and Mental Health Administration	768,078,000	604,790,000	797,905,000	+29,827,000	+193,115,000
Health Resources Administration	399,413,000	258,300,000	386,896,000	−12,517,000	+128,596,000
Assistant Secretary for Health	66,631,000	76,068,000	76,268,000	+9,637,000	+200,000
Education Division	5,205,959,952	4,315,659,000	5,791,869,000	+585,909,048	+1,476,210,000
Social and Rehabilitation Service	17,701,328,000	18,400,295,000	18,469,245,000	+727,917,000	+68,950,000
Social aSecurity Administration	10,641,664,000	13,537,921,000	13,522,921,000	+2,881,257,000	−15,000,000
Specjtl Institutions	121,633,000	138,186,000	139,186,000	+17,553,000	+1,000,000
Assi sant Secretary for Human Development	1,702,400,318	1,572,689,000	1,873,514,000	+171,113,682	+300,825,000
Departmental management	139,680,000	148,296,000	147,296,000	+7,616,000	−1,000,000
Total HEW	40,227,487,270	41,974,392,000	44,748,627,000	+4,521,139,730	+2,774,235,000
Related agencies	1,049,880,000	1,043,608,000	1,290,780,000	+240,900,000	+247,172,000
Grand total	51,692,377,270	52,537,096,000	56,104,631,000	+4,412,253,730	+3,567,535,000

ITEMIZED TABLE

	1976 appropriation	1977 budget request	1977 bill	Bill versus 1976	Bill versus budget
DEPARTMENT OF LABOR					
Employment and Training Administration, Program Administration:					
Program administration:					
Federal funds	$68,261,000	$69,380,000	$69,774,000	$1,513,000	$394,000
Trust funds	30,706,000	31,487,000	30,887,000	181,000	−600,000
Total	98,967,000	100,867,000	100,661,000	1,694,000	−206,000
Employment and training assistance:					
Title I, Comprehensive employment service	1,580,000,000	1,580,000,000	1,880,000,000	300,000,000	300,000,000
Title II, Public employment programs	400,000,000	400,000,000	400,000,000		
Title III, National programs	190,960,000	196,960,000	196,960,000	6,000,000	
Program support	42,440,000	42,370,000	42,370,000	−70,000	
Title IV, Job Corps	175,000,000	175,000,000	197,500,000	22,500,000	22,500,000
Summer youth programs	528,420,000	400,000,000	528,420,000		128,420,000
Total, employment and training assistance	2,916,820,000	2,794,330,000	3,245,250,000	328,430,000	450,920,000
Temporary employment assistance:					
Title II, Public employment program	1,200,000,000			−1,200,000,000	
Title VI, Public employment program	[1] 1,625,000,000			−1,625,000,000	
Total, temporary employment assistance	2,825,000,000			−2,825,000,000	
Community service employment for older Americans	85,900,000		90,600,000	4,700,000	90,600,000
Federal unemployment benefits and allowances:					
Payments for former Federal personnel	384,000,000	440,000,000	440,000,000	56,000,000	
Trade adjustment assistance	26,000,000	120,000,000	120,000,000	94,000,000	
Unemployment assistance and payments under other Federal unemployment programs		300,000,000	300,000,000	300,000,000	
Total, Federal unemployment benefits and allowances	410,000,000	860,000,000	860,000,000	450,000,000	
Advances to unemployment trust fund and other funds	5,000,000,000	5,000,000,000	5,000,000,000		
Grants to States for unemployment insurance and employment services:					
Unemployment insurance services	531,100,000	647,000,000	647,000,000	115,900,000	
Employment services	525,500,000	499,000,000	565,000,000	39,500,000	66,000,000
Federal	[81,300,000]	[81,500,000]	[89,100,000]	7,800,000	7,600,000
Trust	[444,200,000]	[417,500,000]	[475,900,000]	31,700,000	58,600,000
Contingency fund	440,100,000	289,800,000	289,800,000	−150,300,000	
Total:					
Federal funds	81,300,000	81,500,000	89,100,000	7,800,000	7,600,000
Trust funds	1,415,400,000	1,354,300,000	1,412,700,000	−2,700,000	58,400,000
Total, grants to States for unemployment insurance and employment services	1,496,700,000	1,435,800,000	1,501,800,000	5,100,000	66,000,000
Total, employment and training administration	12,833,387,000	10,190,997,000	10,798,311,000	−2,035,076,000	607,314,000
Labor-Management Services Administration	45,885,000	48,619,000	48,319,000	2,434,000	−300,000
Employment Standards Administration	87,472,000	93,525,000	93,202,000	5,730,000	−323,000
Special benefits:					
Federal Employees Compensation Act benefits	275,959,000	285,276,000	285,276,000	9,317,000	
Disabled coal miners' benefits	20,000,000	30,100,000	30,100,000	10,100,000	
Longshore and harbor workers benefits	2,141,000	2,442,000	2,442,000	301,000	
Total, special benefits	298,100,000	317,818,000	317,818,000	19,718,000	
Occupational Safety and Health Administration:					
Safety and health standards	6,747,000	10,856,000	9,194,000	2,447,000	−1,662,000
Compliance:					
Federal inspections	59,885,000	52,082,000	52,082,000	−7,803,000	
State programs	35,600,000	38,100,000	38,100,000	2,500,000	
Education, consultation and information	4,935,000	20,061,000	20,736,000	15,801,000	675,000
Safety and health statistics	6,041,000	6,159,000	6,159,000	118,000	
Executive director and administration	3,973,000	3,562,000	3,562,000	−411,000	
Total, occupational safety and health administration	117,181,000	130,820,000	129,833,000	12,652,000	−987,000
Bureau of Labor Statistics	65,846,000	73,688,000	72,196,000	6,350,000	1,492,000

See footnote at end of table.

ITEMIZED TABLE—Continued

	1976 appropriation	1977 budget request	1977 bill	Bill versus 1976	Bill versus budget
DEPARTMENT OF LABOR—Continued					
Departmental management:					
Departmental management, salaries and expenses:					
Federal funds	38,240,000	49,596,000	49,312,000	11,072,000	−$284,000
Trust funds	907,000	1,305,000	1,305,000	398,000	
Departmental Management, Salaries and Expenses	39,147,000	50,901,000	50,617,000	11,470,000	−284,000
Special foreign currency	70,000	70,000	70,000		
Total, Department of Labor:					
Federal funds	12,034,850,000	9,519,096,000	10,065,224,000	−1,969,626,000	546,128,000
Trust funds	1,447,238,000	1,387,342,000	1,445,142,000	2,096,000	57,800,000
Total, Department of Labor	13,482,088,000	10,906,438,000	11,510,366,000	−1,971,722,000	603,928,000

[1] These funds were appropriated in a continuing resolution.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

	1976 comparable appropriation	1977 budget request	1977 bill	Bill versus 1976	Bill versus request
Health Services Administration:					
Community health services:					
Commuhity health centers	$196,648,000	$155,190,000	$215,148,000	$18,500,000	$59,958,000
Comprehensive health grants to States	90,000,000		90,000,000		90,000,000
Maternal and child health:					
Grants to States	295,700,000	193,922,000	310,000,000	14,300,000	116,078,000
Sudden Infant Death Syndrome	2,500,000			−2,500,000	
Research and training	23,708,000	17,500,000	26,708,000	3,000,000	9,208,000
Subtotal	321,908,000	211,422,000	336,708,000	14,800,000	125,286,000
Family planning	100,615,000	79,435,000	100,615,000		21,180,000
Migrant health	25,000,000	19,200,000	30,000,000	5,000,000	10,800,000
Health maintenance organizations	18,612,000	18,612,000	22,612,000	4,000,000	4,000,000
National health Service Corps	(15,000,000)	(24,529,000)	(***)	(***)	(***)
Hemophilia treatment centers	3,000,000		3,000,000		3,000,000
Hypertension	3,750,000		5,000,000	1,250,000	5,000,000
Home health services	(3,000,000)	( )	(***)	(***)	(***)
Quality assurance:					
Medical care standards	5,187,000	4,187,000	5,187,000		1,000,000
Professional standards review organizations	47,582,000	62,000,000	62,000,000	14,418,000	
Patient care and special health services	117,970,000	106,970,000	120,209,000	2,239,000	13,239,000
PHS hospitals [1] (nonadd)	(92,702,000)	(79,664,000)	(92,903,000)	( )	( )
Emergency medical services	(37,025,000)	(25,100,000)	(***)	(***)	(***)
Program management	30,663,000	29,663,000	30,663,000		1,000,000
Less: Trust fund transfer	−26,321,000	−39,121,000	−40,121,000	−13,800,000	−1,000,000
Total, authorized	934,614,000	647,558,000	981,021,000	46,407,000	333,463,000
Total, including unauthorized	(989,639,000)	(697,187,000)			
Center for Disease Control:					
Disease control:					
Project grants:					
Venereal diseases	(19,840,000)	(19,840,000)	(***)	(***)	(***)
Immunization	(4,960,000)	(4,960,000)	(***)	(***)	(***)
Rat control	(13,100,000)	(5,410,000)	(***)	(***)	(***)
Lead-based paint	(3,500,000)	(3,500,000)	(***)	(***)	(***)
Disease surveillance	43,411,000	43,411,000	44,756,000	1,345,000	1,345,000
Laboratory improvement	10,601,000	15,063,000	15,063,000	4,462,000	
Health education	3,513,000	3,013,000	3,513,000		500,000
Swine flu immunization program	135,064,000			−135,064,000	
Occupational health	39,533,000	37,107,000	46,707,000	7,174,000	9,600,000
Buildings and facilities	1,456,000			−1,456,000	
Program management	10,439,000	10,989,000	11,689,000	1,250,000	700,000
Total, authorized	244,017,000	109,583,000	121,728,000	−122,289,000	12,145,000
Total, including unauthorized	(285,417,000)	(143,293,000)			
National Institutes of Health:					
National Cancer Institute	762,647,000	687,670,000	773,412,000	10,765,000	85,742,000
National Heart and Lung Institute	370,347,000	342,855,000	380,661,000	10,314,000	37,806,000
National Institute of Dental Research	51,427,000	52,207,000	54,573,000	3,146,000	2,366,000
National Institute of Arthritis, Metabolism, and Digestive Diseases	179,801,000	180,837,000	202,837,000	23,036,000	22,000,000
National Institute of Neurological and Communicative Disorders and Stroke	144,707,000	146,532,000	153,132,000	8,425,000	6,600,000
National Institute of Allergy and Infectious Diseases	127,163,000	135,615,000	139,615,000	12,452,000	4,000,000
National Institute of General Medical Sciences	187,388,000	193,435,000	198,435,000	11,047,000	5,000,000
National Institute of Child Health and Human Development	136,573,000	129,883,000	140,343,000	3,770,000	10,460,000
National Institute of Aging	19,388,000	26,220,000	29,200,000	9,812,000	2,980,000
National Eye Institute	50,285,000	46,950,000	56,270,000	5,985,000	9,320,000
National Institute of Environmental Health Sciences	37,780,000	46,141,000	49,141,000	11,361,000	3,000,000
Research resources	130,300,000	92,342,000	136,299,000	5,999,000	43,957,000
John E. Fogarty International Center	5,694,000	7,492,000	7,992,000	2,298,000	500,000
Subtotal, Research institutes	2,203,500,000	2,088,179,000	2,321,910,000	118,410,000	233,731,000
National Library of Medicine	29,244,000	35,234,000	35,234,000	5,990,000	
Office of the Director	15,325,000	16,234,000	16,234,000	909,000	
Total, Biomedical research	2,248,069,000	2,139,647,000	2,373,378,000	125,309,000	233,731,000
Buildings and facilities	54,000,000	25,400,000	67,400,000	13,400,000	42,000,000
Total, NIH	2,302,069,000	2,165,047,000	2,440,778,000	138,709,000	275,731,000

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued

	1976 comparable appropriation	1977 budget request	1977 bill	Bill versus 1976	Bill versus request
Alcohol, Drug Abuse, and Mental Health Administration:					
General Mental Health:					
Research	95,908,000	83,000,000	95,908,000		12,908,000
Training	85,100,000	30,000,000	85,100,000		55,100,000
Community programs:					
Planning	1,500,000		1,000,000	−500,000	1,000,000
Operations:					
1st year	24,000,000		15,000,000	−9,000,000	15,000,000
Construction:					
Grants initiated under new law			21,840,000	21,840,000	21,840,000
Converted staffing grants			54,768,000	54,768,000	54,768,000
Conversion	20,000,000		20,000,000		20,000,000
Consultation and education	4,000,000		8,000,000	4,000,000	8,000,000
Financial distress	4,000,000		7,000,000	3,000,000	7,000,000
Continuations under old law:					
Staffing	135,363,000	110,526,000	78,891,000	−56,472,000	−31,635,000
Child mental health	26,844,000	20,274,000	14,847,000	−11,997,000	−5,427,000
Management and information	22,229,000	20,414,000	22,714,000	485,000	2,300,000
Subtotal	418,994,000	264,214,000	425,068,000	6,124,000	160,854,000
Drug abuse:					
Research	34,000,000	34,000,000	34,000,000		
Training	10,000,000	4,000,000	10,000,000		6,000,000
Community programs:					
Project grants and contracts	139,051,000	160,0000,00	160,000,000	20,949,000	
Grants to States	35,000,000	35,000,000	40,000,000	5,000,000	5,000,000
Management and information	14,121,000	14,827,000	15,472,000	1,351,000	645,000
Subtotal	232,172,000	247,827,000	259,472,000	27,300,000	11,645,000
Alcoholism:					
Research	11,808,000	10,000,000	11,808,000		1,808,000
Training	7,458,000	2,000,000	6,500,000	−958,000	4,500,000
Community programs:					
Project grants and contracts	12,859,000	2,546,000	12,859,000		10,313,000
	(56,408,000)	(33,451,000)	(***)	(***)	(***)
Grants to States	(55,500,000)	(45,600,000)	(***)	(***)	(***)
Management and information	8,053,000	7,011,000	8,346,000	293,000	1,335,000
Subtotal	40,178,000	21,557,000	39,513,000	−665,000	17,956,000
	(139,227,000)	(98,062,000)	(***)	(***)	(***)
Program direction	11,059,000	13,228,000	13,388,000	2,329,000	160,000
Total authorized	702,353,000	546,826,000	737,441,000	35,088,000	190,615,000
Total, including unauthorized	(801,402,000)	(623,331,000)			
St. Elizabeths Hospital	55,125,000	57,964,000	60,464,000	5,339,000	2,500,000
Buildings and facilities	10,600,000			−10,600,000	
Total ADAMHA authorized	768,078,000	604,790,000	797,905,000	29,827,000	193,115,000
Total, including unauthorized	(867,127,000)	(681,295,000)			
Health Resources Administration:					
National health statistics	25,636,000	24,000,000	27,636,000	2,000,000	3,636,000
Health planning and resources development	112,500,000	90,000,000	120,000,000	7,500,000	30,000,000
Health services research	26,000,000	24,000,000	26,000,000		2,000,000
Health manpower:					
Health professions institutional assistance	(101,100,000)	(120,000,000)	(***)	(***)	(***)
Capitation grants	(3,000,000)	(1,000,000)	(***)	(***)	(***)
Startup and conversion	(5,000,000)	(3,000,000)	(***)	(***)	(***)
Subtotal, unauthorized	(109,100,000)	(124,000,000)			
Health professions student assistance:					
Loans	(24,000,000)	( )	(***)	(***)	(***)
Scholarships	(3,500,000)	( )	(***)	(***)	(***)
Loan repayments	(6,000,000)	( )	(***)	(***)	(***)
National health service scholarships	(22,500,000)	(35,000,000)	(***)	(***)	(***)
Subtotal, including unauthorized	(56,000,000)	(35,000,000)			
Health professions special educational assistance:					
Family medicine	(15,000,000)	(39,000,000)	(***)	(***)	(***)
Primary care	( )	(18,000,000)	(***)	(***)	(***)
Area health education centers	(12,000,000	(19,000,000)	(***)	(***)	(***)
Physician extenders	(8,000,000)	(8,500,000)	(***)	(***)	(***)
Dental health	(8,442,000	(7,500,000)	(***)	(***)	(***)
Special project grants	(86,424,000)	(24,000,000)	(***)	(***)	(***)
Other	(27,525,000)	(8,000,000)	(***)	(***)	(***)
Subtotal, unauthorized	(157,391,000)	(124,000,000)	( )	( )	( )
Nursing institutional assistance:					
Capitation grants	44,000,000		44,000,000		44,000,000
Financial distress grants		1,000,000			−1,000,000
Advanced nurse training	2,000,000	3,000,000	9,000,000	7,000,000	6,000,000
Nurse practitioner training	3,000,000	7,000,000	9,000,000	6,000,000	2,000,000
Special projects	15,000,000	15,000,000	15,000,000		
Subtotal	64,000,000	26,000,000	77,000,000	13,000,000	51,000,000
Nursing student assistance:					
Loans	21,000,000	5,000,000	22,500,000	1,500,000	17,500,000
Scholarships	6,000,000	2,000,000	6,500,000	500,000	4,500,000
Traineeships	13,000,000		13,000,000		13,000,000
Loan repayments	2,500,000	3,000,000	3,000,000	500,000	
Subtotal	42,500,000	10,000,000	45,000,000	2,500,000	35,000,000
Nursing research			2,000,000	2,000,000	−2,000,000
Subtotal, health manpower	106,500,000	36,000,000	124,000,000	17,500,000	88,000,000
Subtotal, including unauthorized	(428,991,000)	(319,000,000)	( )	( )	( )

See footnote at end of table.

	1976 comparable appropriation	1977 budget request	1977 bill	Bill versus 1976	Bill versus request
Health Resources Administration—Continued					
Health facilities construction:					
Medical facilities:					
Formula grants	40,373,000			−40,373,000	
Project grants	11,387,000			−11,387,000	
Subject	51,760,000			−51,760,000	
Health teaching facilities interest subsidies	3,000,000			−3,000,000	
Special medical facilities	11,575,000		4,000,000	−7,575,000	4,000,000
Subtotal	66,335,000		4,000,000	−62,335,000	4,000,000
Program management	48,484,000	49,300,000	50,260,000	1,776,000	960,000
Less: Trust fund transfer	−42,000			+42,000	
Total, health resources	385,413,000	223,300,000	351,896,000	−33,517,000	128,596,000
Total, including unauthorized	(703,903,000)	(506,300,000)	( )	( )	( )
Payment of sales insufficiencies	4,000,000	4,000,000	4,000,000		
Medical facilities guarantee and loan fund	10,000,000	31,000,000	31,000,000	21,000,000	
Total, authorized	399,413,000	258,300,000	386,896,000	−12,517,000	128,596,000
Total, including unauthorized	(721,904,000)	(541,300,000)	( )	( )	( )
Office of the Assistant Secretary for Health:					
Assistant Secretary for Health	21,618,000	22,216,000	22,416,000	798,000	200,000
Retirement pay and medical benefits for commissioned officers	45,013,000	52,352,000	52,352,000	7,339,000	
Scientific activities overseas		1,500,000	1,500,000	1,500,000	
Total, OASH	66,631,000	76,068,000	76,268,000	9,637,000	200,000
Office of Education:					
Elementary and secondary education:					
Grants for disadvantaged*	2,050,000,000	1,900,000,000	2,250,000,000	200,000,000	350,000,000
Support and innovation grants*	184,521,852	172,888,000	194,000,000	9,478,148	21,112,000
Bilingual education:					
Grants to school districts	62,500,000	60,230,000	68,500,000	6,000,000	8,270,000
Training grants	25,370,000	22,670,000	28,800,000	3,430,000	6,130,000
Curriculum development	7,000,000	7,000,000	8,500,000	1,500,000	1,500,000
Bilingual vocational training	2,800,000		2,800,000		2,800,000
Technical assistance, dissemination, and advisory council	1,300,000	100,000	6,400,000	5,100,000	6,300,000
Subtotal	98,970,000	90,000,000	115,000,000	16,030,000	25,000,000
Right to read	23,800,000	12,000,000	22,000,000	−1,800,000	10,000,000
Follow Through	59,000,000	30,000,000	59,000,000		29,000,000
Drug abuse education	2,000,000		2,000,000		2,000,000
Environmental education	3,000,000		3,000,000		3,000,000
Educational broadcasting facilities	(12,500,000)	(7,000,000)	(***)	(***)	(***)
Ellender fellowships	500,000		500,000		500,000
Ethnic heritage studies	1,800,000	1,800,000	2,500,000	700,000	700,000
State equalization grants	(2)		10,500,000	10,500,000	10,500,000
Total, authorized	2,423,591,852	2,206,688,000	2,658,500,000	234,908,148	451,812,000
School assistance in federally affected areas:					
Maintenance and operations:					
Payments for "A" Children	248,737,758	249,400,000	251,272,000	2,534,242	1,872,000
Payments for "B" Children	341,597,262		356,800,000	15,202,738	356,800,000
Special provisions	12,664,980	13,100,000	13,100,000	435,000	
Payments to other Federal agencies	46,000,000	52,500,000	52,500,000	6,500,000	
Savings provisions	3 35,000,000		94,328,000	59,328,000	94,328,000
Subtotal	684,000,000	315,000,000	768,000,000	84,000,000	453,000,000
Construction	20,000,000	10,000,000	20,000,000		10,000,000
Total	704,000,000	325,000,000	788,000,000	84,000,000	463,000,000
Emergency school aid:					
National competition projects:					
Bilingual education projects	8,600,000	8,600,000	8,600,000		
Educational television	6,450,000	6,450,000	6,450,000		
Special programs and projects	40,750,000	21,500,000	21,500,000	−19,250,000	
Evaluation	2,150,000	2,150,000	2,150,000		
State apportioned projects:					
Pilot programs	32,250,000	32,250,000	32,250,000		
Grants to nonprofit organizations	17,200,000	17,200,000	17,200,000		
General grants to school districts	137,600,000	126,850,000	126,850,000	−10,750,000	
Subtotal, Emergency School Aid Act	245,000,000	215,000,000	215,000,000	−30,000,000	
Civil rights training and advisory services	26,700,000	34,700,000	34,700,000	8,000,000	
Total	271,700,000	249,700,000	249,700,000	−22,000,000	
Education for the handicapped:					
State assistance:					
State grant program*	200,000,000	110,000,000	300,000,000	100,000,000	190,000,000
Deaf-blind centers	16,000,000	16,000,000	16,000,000		
Subtotal	216,000,000	126,000,000	316,000,000	100,000,000	190,000,000
Special population programs:					
Severely handicapped projects	3,250,000	3,250,000	3,250,000		
Specific learning disabilities	5,000,000	5,000,000	5,000,000		
Early childhood education	22,000,000	22,000,000	22,000,000		
Subtotal	30,250,000	30,250,000	30,250,000		
Regional vocational, adult, and postsecondary programs	2,000,000	2,000,000	2,000,000		
Innovation and development	11,000,000	11,000,000	11,000,000		
Media and resources services:					
Media services and captioned films	16,250,000	16,000,000	16,000,000	−250,000	
Regional resource centers	10,000,000	9,750,000	9,750,000	−250,000	
Recruitment and information	500,000	1,000,000	1,000,000	500,000	
Subtotal	26,750,000	26,750,000	26,750,000		
Special education manpower development	40,375,000	40,375,000	40,375,000		
Total	326,375,000	236,375,000	426,375,000	100,000,000	190,000,000

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued

	1976 comparable appropriation	1977 budget request	1977 bill	Bill versus 1976	Bill versus request
Office of Education—Continued					
Occupational, vocational, and adult education:					
Vocational education:					
Grants to States for vocational education:					
Basic vocational education programs	415,529,100	474,368,655	[4] 812,500,000	396,970,000	338,131,345
Programs for students with special needs	(20,000,000)	( )	(***)	(***)	(***)
Consumer and homemaking education	(40,994,000)	( )	(***)	(***)	(***)
Work-study	(9,849,000)	( )	(***)	(***)	(***)
Cooperative education	(19,500,000)	( )	(***)	(***)	(***)
State advisory councils	4,316,000	4,316,000	[4] 7,553,000	3,237,000	3,237,000
Vocational research:					
Innovation	(16,000,000)	( )	(***)	(***)	(***)
Curriculum development	(1,000,000)	( )	(***)	(***)	(***)
Research	18,000,000	53,503,345	31,500,000	13,500,000	−22,003,345
Subtotal, vocational education, authorized	437,845,100	532,188,000	851,553,000	413,707,900	319,365,000
Subtotal, vocational education including unauthorized items	(545,188,100)	(532,188,000)			
Adult education	71,500,000	67,500,000	77,000,000	5,500,000	9,500,000
Total authorized	509,345,100	599,688,000	928,553,000	419,207,900	328,865,000
Total including unauthorized items	(616,688,100)	(599,688,000)			
Higher education:					
Student assistance:					
Basic Opportunity Grants	(1,506,000,000)	(1,100,000,000)	(***)	(***)	(***)
Supplemental Opportunity Grants	(240,093,000)	( )	(***)	(***)	(***)
Work-study	(509,800,000)	(250,000,000)	(***)	(***)	(***)
Subsidized insured loans	377,620,000	325,000,000	325,000,000	−52,620,000	( )
	(452,000,000)	(400,000,000)	(***)	(***)	(***)
Direct loans:					
Federal capital contributions	(321,000,000)	( )	(***)	(***)	(***)
Loans to institutions	(2,000,000)	( )	(***)	(***)	(***)
Teacher cancellations	8,960,000	11,920,000	11,920,000	2,960,000	( )
Incentive grants for State scholarships	(44,000,000)	(44,000,000)	(***)	(***)	(***)
Subtotal, student assistance authorized	386,580,000	336,920,000	336,920,000	−49,660,000	( )
Subtotal, student assistance including unauthorized items	(3,083,853,000)	(1,805,920,000)	( )	( )	( )
Special programs for the disadvantaged	(70,331,000)	(60,331,000)	(***)	(***)	(***)
Institutional assistance:					
Strengthening developing institutions	(110,000,000)	(110,000,000)	(***)	(***)	(***)
Language training and area studies	2,700,000	1,360,000	3,000,000	300,000	1,640,000
	(16,000,000)	(10,000,000)	(***)	(***)	(***)
University community services	(12,125,000)	( )	(***)	(***)	(***)
Aid to land-grant colleges	9,500,000		9,500,000		9,500,000
State postsecondary education commissions	(3,500,000)	( )	(***)	(***)	(***)
Veterans cost of instruction	(23,750,000)	( )	(***)	(***)	(***)
Cooperative education	(10,750,000)	(8,000,000)	(***)	(***)	(***)
Subtotal, Institutional assistance authorized	12,200,000	1,360,000	12,500,000	300,000	11,140,000
Subtotal, Institutional assistance including unauthorized items	(185,625,000)	(128,000,000)	( )	( )	( )
Personnel development:					
College teacher fellowships	(1,000,000)	( )	(***)	(***)	(***)
Training for disadvantaged (CLEO)	750,000		750,000		750,000
Public service fellowships	(4,000,000)	( )	(***)	(***)	(***)
Mining fellowships	(3,000,000)	( )	(***)	(***)	(***)
Subtotal, personnel development	750,000		750,000		750,000
Subtotal, including unauthorized items	(8,750,000)	( )	( )	( )	( )
Total authorized	399,530,000	338,280,000	350,170,000	49,360,000	11,890,000
Total, including unauthorized items	(3,348,559,000)	(1,994,251,000)	( )	( )	( )
Library resources:					
Public libraries	51,749,000	51,749,000	56,749,000	5,000,000	5,000,000
School libraries and instructional resources *	147,330,000	137,330,000	147,330,000		10,000,000
College library resources	(9,975,000)	(9,975,000)	(***)	(***)	(***)
Training and demonstration	(1,500,000)	( )	(***)	(***)	(***)
Undergraduate instructional equipment	(7,500,000)	( )	(***)	(***)	(***)
Total authorized	199,079,000	189,970,000	204,079,000	5,000,000	15,000,000
Total including unauthorized items	(218,054,000)	(199,054,000)	( )	( )	( )
Special projects and training:					
Special projects:					
Metric education	2,090,000	1,045,000	2,090,000		1,045,000
Gifted and talented	2,560,000	1,280,000	2,560,000		1,280,000
Community schools	3,553,000	1,777,000	3,553,000		1,776,000
Career education	10,135,000	10,135,000	10,135,000		
Consumer education	3,135,000	1,567,000	3,135,000		1,568,000
Women's educational equity	6,270,000	5,896,000	6,270,000		374,000
Arts in education programs	750,000	750,000	750,000		
Packaging and field testing	1,400,000	3,900,000	10,000,000	8,600,000	6,100,000
Educational TV programming	7,000,000	3,500,000	7,000,000		3,500,000
Subtotal	36,893,000	29,850,000	45,493,000	8,600,000	15,643,000
Educational personnel training:					
Teacher Corps	(37,500,000)	(37,500,000)	(***)	(***)	(***)
Elementary and secondary training	(5,462,000)	( )	(***)	(***)	(***)
Vocational training	(10,000,000)	( )	(***)	(***)	(***)
Higher education	( )	( )	(***)	(***)	(***)
Subtotal, authorized					
Subtotal, including unauthorized items	(52,962,000)	(37,500,000)			
Total authorized	36,893,000	29,850,000	45,493,000	8,600,000	15,643,000
Total, including unauthorized items	(89,855,000)	(67,350,000)			
Student loan insurance fund	201,787,000			−201,787,000	
Higher education facilities loan and insurance fund	2,192,000	2,119,000	2,119,000	−73,000	
Educational activities overseas (special foreign currency programs)	2,000,000	2,000,000	2,000,000		

See footnotes at end of table.

	1976 comparable appropriation	1977 budget request	1977 bill	Bill versus 1976	Bill versus request
Office of Education—Continued					
Salaries and expenses:					
Planning and evaluation	6,383,000	7,000,000	7,000,000	617,000	
General program dissemination	500,000	500,000	500,000		
Advisory committees	2,454,000	2,041,000	2,041,000	−413,000	
Information clearinghouses	300,000	600,000	600,000	300,000	
Program administration	98,830,000	105,293,000	105,293,000	6,463,000	
Total	108,467,000	115,434,000	115,434,000	6,967,000	
Total, Office of Education authorized	5,184,959,952	4,294,213,000	5,770,423,000	583,463,048	1,476,210,000
Total, including unauthorized items	(8,325,768,952)	(6,004,659,000)			
National Institute of Education:					
Research and development	(58,800,000)	(78,300,000)	(***)	(***)	(***)
Program administration	(11,200,000)	(11,700,000)	(***)	(***)	(***)
Total, NIE including unauthorized items	(70,000,000)	(90,000,000)			
Assistant Secretary for Education:					
Improvement of postsecondary education	(11,500,000)	(11,500,000)	(***)	(***)	(***)
Salaries and expenses	8,000,000	8,446,000	8,446,000	446,000	
National Center for Education Statistics	13,000,000	13,000,000	13,000,000		
Total, ASE authorized	21,000,000	21,446,000	21,446,000	446,000	
Total, including unauthorized items	(32,500,000	(32,946,000)			
Total, education division authorized	5,205,959,952	4,315,659,000	5,791,869,000	585,909,048	1,476,210,000
Total, including unauthorized items	(8,428,268,952)	(6,127,605,000)			
Social and Rehabilitation Service:					
Public assistance:					
Maintenance assistance	5,897,904,000	6,215,000,000	6,215,000,000	317,096,000	
Medical assistance	8,510,026,000	9,292,000,000	9,292,000,000	781,974,000	
Social services	2,698,898,000	2,400,000,000	2,400,000,000	−298,898,000	
State and local training	64,972,000	60,000,000	60,000,000	−4,972,000	
Child welfare services	52,500,000	46,000,000	52,500,000		6,500,000
Research	9,200,000	9,200,000	9,200,000		
Training projects	7,450,000		7,450,000		7,450,000
Total	$17,240,950,000	18,022,200,000	18,036,150,000	795,200,000	13,950,000
Work incentives:					
Training	250,000,000	206,500,000	243,000,000	7,000,000	36,500,000
Child care	150,000,000	108,500,000	127,000,000	23,000,000	18,500,000
Total	400,000,000	315,000,000	370,000,000	−30,000,000	55,000,000
Program administration	60,378,000	63,095,000	63,095,000	2,717,000	
Total, SRS	17,701,328,000	18,400,295,000	18,469,245,000	767,917,000	68,950,000
Social Security Administration:					
Federal funds:					
Payments to Social Security Trust Funds	4,121,236,000	6,713,902,000	6,713,902,000	2,592,666,000	
Special benefits for disabled coal miners:					
Benefit payments	971,507,000	906,000,000	906,000,000	65,507,000	
Administration	28,271,000	7,897,000	7,897,000	−20,374,000	
Subtotal	999,778,000	913,897,000	913,897,000	−85,881,000	
Supplemental security income:					
Benefit payments	4,700,000,000	5,245,000,000	5,230,000,000	530,000,000	−15,000,000
State supplementation payments	205,000,000	55,000,000	55,000,000	−150,000,000	
Vocational Rehabilitation Services	57,672,000	52,770,000	52,770,000	−4,902,000	
Administration	497,978,000	500,352,000	500,352,000	2,374,000	
Federal fiscal liability	60,000,000	57,000,000	57,000,000	−3,000,000	
Subtotal	5,520,650,000	5,910,122,000	5,895,122,000	374,472,000	−15,000,000
Limitation on salaries and expenses (nonadd)	(2,397,719,112)	(2,561,773,000)	(2,561,773,000)	( )	( )
Limitation on construction (nonadd)	(6,300,000)	(14,400,000)	(14,400,000)	( )	( )
Total, SSA	10,641,664,000	13,537,921,000	13,522,921,000	374,472,000	−15,000,000
Special Institutions:					
American Printing House for the Blind	2,408,000	2,762,000	2,762,000	354,000	
National Technical Institute for the Deaf	9,836,000	12,675,000	12,675,000	2,839,000	
Gallaudet College:					
Academic program	12,490,000	14,790,000	14,790,000	2,300,000	
Model Secondary School for the Deaf	5,373,000	7,260,000	7,260,000	1,887,000	
Kendall Demonstration Elementary School	2,713,000	3,215,000	3,215,000	502,000	
Construction	2,255,000	15,575,000	15,575,000	13,320,000	
Total	22,831,000	40,840,000	40,840,000	18,009,000	
Howard University:					
Academic program	55,995,000	60,026,000	60,026,000	4,031,000	
Howard University Hospital	20,563,000	19,883,000	19,883,000	−680,000	
Construction	10,000,000	2,000,000	3,000,000	−7,000,000	1,000,000
Total	86,558,000	81,909,000	82,909,000	−3,649,000	1,000,000
Total, SI	121,633,000	138,186,000	139,186,000	17,553,000	1,000,000
Assistant Secretary for Human Development:					
Child development:					
Head Start	454,500,000	434,300,000	475,000,000	20,500,000	40,700,000
Research, demonstration, and evaluation	14,700,000	10,700,000	14,700,000		4,000,000
Child abuse	18,928,000	18,928,000	18,928,000		
Youth development	8,000,000	6,000,000	8,000,000		2,000,000
Aging programs:					
Community services	123,835,000	98,235,000	150,000,000	26,165,000	51,765,000
Nutrition	125,000,000	88,000,000	203,525,000	78,525,000	115,525,000
(Program level)	(187,500,000)	(150,000,000)	(225,000,000)	(37,500,000)	(75,000,000)
Research, demonstrations, and manpower	19,000,000	5,765,000	25,000,000	6,000,000	19,235,000
Federal Council on Aging	575,000	575,000	575,000		
Multipurpose senior centers			10,000,000	10,000,000	10,000,000

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued

	1976 comparable appropriation	1977 budget request	1977 bill	Bill versus 1976	Bill versus request
Assistant Secretary for Human Development—Continued					
Rehabilitation services and facilities:					
Basic State grants	720,309,318	720,000,000	740,000,000	19,690,682	20,000,000
Service projects:					
Innovation and expansion	18,000,000		18,000,000		18,000,000
Deaf-blind center	2,100,000	2,100,000	2,100,000		
Special projects	9,965,000	8,500,000	10,000,000	35,000	1,500,000
Training and facilities grants	6,900,000	7,400,000	10,000,000	3,100,000	2,600,000
Research	24,000,000	18,000,000	24,000,000		6,000,000
Training	22,200,000	20,000,000	25,000,000	2,800,000	5,000,000
Grants for the developmentally disabled:					
State grants	31,558,000	33,058,000	33,058 000	1,500,000	
Special projects	19,817,000	16,317,000	19,817,000		3,500,000
University affiliated facilities	4,250,000	4,250,000	4,250,000		
Special programs for Native Americans	33,000,000	32,000,000	33,000,000		1,000,000
White House Conference on Handicapped Individuals	1,370,000	1,436,000	1,436,000	66,000	
Salaries and expenses	44,993,000	47,725,000	47,725,000	2,732,000	
Less: Trust fund transfer	−600,000	−600,000	−600,000		
Total, ASHD	1,702,400,318	1,572,689,000	1,873,514,000	171,113,682	300,825,000
Departmental management:					
Office for Civil Rights	26,570,000	30,604,000	30,604,000	4,034,000	
Less: Trust fund transfer	−1,351,000	−919,000	−919,000	432,000	
Total	25,219,000	29,685,000	29,685,000	4,466,000	
General departmental management:					
Departmental direction	42,502,000	42,232,000	42,232,000	−270,000	
(Office of Investigations) nonadd	(995,000)	(1,428,000)	(1,428,000)	(433,000)	( )
Departmental operations	59,760,000	64,301,000	63,301,000	3,541,000	
Subtotal	102,262,000	106,533,000	105,533,000	3,271,000	1,000,000
Less: Trust fund transfer	−12,751,000	−12,872,000	−12,872,000	−121,000	
Total	89,511,000	93,661,000	92,661,000	3,150,000	1,000,000
Policy research	24,950,000	24,950,000	24,950,000		
Total, departmental management	139,680,000	148,296,000	147,296,000	7,616,000	1,000,000
Total, DHEW:					
Authorized	40,227,487,270	41,974,392,000	44,748,627,000	4,521,139,730	2,774,235,000
Unauthorized	(43,967,761,270)	(44,229,182,000)			

[1] Includes contract care, excludes Carville Leprosarium.
[2] $3,000,000 appropriated for the transition quarter.
[3] The 2d supplemental provides an additional $55,000,000 (from the transition quarter SAFAA appropriation) for hold harmless payments.
[4] Includes $475,000,000 for basic grants, $4,316,000 for advisory councils, and $18,000,000 for research for the 1977-78 school year. Balance of the appropriation would complete funding for the 1976-77 school year — 3 mo funding for the 1976-77 school year was provided in the transition quarter appropriation.
[5] Includes $530,896,000, which is portion of supplemental related to 1975 costs.
* Amounts shown represent year of appropriation—funds are spent for the following school year.
*** Deferred due to lack of authorizing legislation.

RELATED AGENCIES

	1976 appropriation	1977 budget request	1977 bill	Bill versus 1976	Bill versus budget
ACTION	50,392,000	55,300,000	56,800,000	6,408,000	1,500,000
	(53,203,000)	(38,602,000)	(1)		
Community Services Administration:					
Research, demonstration and evaluation	$16,800,000		$5,000,000	−$11,800,000	$5,000,000
Community action agencies	330,000,000	$260,000,000	330,000,000		70,000,000
Senior opportunities and services	10,000,000	10,000,000	10,000,000		
State economic opportunity offices	12,000,000		12,000,000		12,000,000
Community food and nutrition	26,200,000		15,000,000	−11,200,000	15,000,000
Energy conservation services	27,500,000		27,500,000		27,500,000
National youth sports program	6,000,000		6,000,000		6,000,000
Summer recreation and transportation	17,000,000		17,000,000		17,000,000
Community economic development	46,500,000	39,000,000	46,500,000		7,500,000
Program administration	28,152,000	25,000,000	27,000,000	−1,152,000	2,000,000
Total, CSA	520,152,000	334,000,000	496,000,000	−24,152,000	162,000,000
Corporation for Public Broadcasting	78,500,000	70,000,000	96,750,000	18,250,000	26,750,000
Advance appropriation for 1978		80,000,000	107,150,000	107,150,000	27,150,000
Advance appropriation for 1979		90,000,000	120,200,000	120,200,000	30,200,000
Total	78,50,000	240,000,000	324,100,000	245,600,000	84,100,000
Federal Mediation and Conciliation Service	18,332,000	20,328,000	20,328,000	1,996,000	
National Commission on Libraries and Information Science	468,000	517,000	517,000	49,000	
National Labor Relations Board	69,597,000	78,204,000	77,776,000	8,179,000	−428,000
National Mediation Board	3,405,000	3,606,000	3,606,000	201,000	
Occupational Safety and Health Review Commission	5,769,000	6,280,000	6,280,000	511,000	
Railroad Retirement Board:					
Payments to Railroad Retirement Trust Fund	250,000,000	250,000,000	250,000,000		
Regional Rail Transportation Protective Account	37,600,000	40,000,000	40,000,000	2,400,000	
Limitation on salaries and expenses	(29,492,000)	(33,723,000)	(33,723,000)	(4,231,000)	( )
Soldiers' and Airmen's Home (trust fund appropriation): Operation and maintenance	15,665,000	15,373,000	15,373,000	−292,000	
Total, related agencies	1,049,880,000	1,043,608,000	1,290,780,000	240,900,000	247,172,000
Grand total, Health, Education, and Welfare	51,692,307,270	52,537,096,000	56,104,631,000	4,412,323,730	3,567,535,000
	(5,418,477,000)	(2,293,392,000)	(1)		
Total, limitation on trust fund transfers	(3,921,814,112)	(4,050,750,000)	(4,109,550,000)	(187,735,888)	(58,800,000)

Not considered due to lack of authorizing legislation.

LEAVE OF ABSENCE

Mr. HELSTOSKI (at the request of Mr. O'NEILL), for this week, on account of official business.

Mr. ADDABBO (at the request of Mr. O'NEILL), for today on account of official business.

Mr. CORMAN (at the request of Mr. O'NEILL), for today on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. GRASSLEY), to revise and extend their remarks, and to include extraneous matter:)

Mr. ARCHER, for 10 minutes, today.

Mr. DUNCAN of Tennessee, for 10 minutes, today.

Mr. PAUL, for 10 minutes, today.

Mr. COLLINS of Texas, for 15 minutes, today.

Mrs. HECKLER of Massachusetts, for 5 minutes, today.

Mr. GILMAN, for 10 minutes, today.

Mr. SARASIN, for 5 minutes, today.

(The following Members (at the request of Mr. BONKER) to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. RANGEL, for 15 minutes, today.

Mr. DIGGS, for 5 minutes, today.

Mr. VANIK, for 15 minutes, today.

Mr. HOWARD, for 5 minutes, today.

Mr. MURPHY of New York, for 10 minutes, July 21, 1976.

Special order (at the request of Mr. OTTINGER) for Mr. AMBRO, for today, for 5 minutes.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. SEIBERLING, and to include extraneous matter, notwithstanding the fact that it exceeds two pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost $1,501.50.

Mr. MICHEL, and to include extraneous matter notwithstanding the fact that it exceeds two pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost $2,288.

Mr. OBEY, and to include extraneous matter notwithstanding the fact that it exceeds two pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost $1,856.

(The following Members (at the request of Mr. GRASSLEY) and to include extraneous matter:)

Mr. KEMP in three instances.

Mr. GILMAN.

Mr. MCCLORY.

Mr. GUDE.

Mr. FRENZEL in three instances.

Mr. ARCHER.

Mr. BROOMFIELD.

Mr. WIGGINS.

Mr. ESCH.

Mr. CARTER.

Mr. CRANE.

Mr. DU PONT.

Mr. ASHBROOK in two instances.

Mr. STEIGER of Wisconsin.

(The following Members (at the request of Mr. BONKER) and to include extraneous matter:)

Mr. BROWN of California in 10 instances.

Mr. GONZALEZ in three instances.

Mr. ANDERSON of California in three instances.

Mr. ANNUNZIO in six instances.

Mr. RANGEL in 10 instances.

Mr. WOLFF.

Mr. MURTHA.

Mr. O'HARA in two instances.

Mr. PEPPER.

Mrs. KEYS.

Mr. HELSTOSKI.

Mr. HARRIS in 10 instances.

Mr. FARY.

Mr. BOLLING.

Mr. TRAXLER.

Mr. TEAGUE.

Mr. HUBBARD.

Mr. ROSTENKOWSKI.

Mr. HUNGATE.

Mr. ULLMAN in two instances.

SENATE BILLS AND CONCURRENT RESOLUTION REFERRED

Bills and concurrent resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 1477. An act for the relief of Beatrice Serrano-Toledo; to the Committee on the Judiciary.

S. 2322. An act for the relief of Lee Mee Sun; to the Committee on the Judiciary.

S. 2618. An act for the relief of Chea Hyo Suk; to the Committee on the Judiciary.

S. 2668. An act for the relief of Arturo Moreno Hernandez; to the Committee on the Judiciary.

S. 2770. An act for the relief of Anthony Augustus Daley and Beverly Evelyn Daley; to the Committee on the Judiciary.

S. 3542. An act to authorize the Secretary of the Interior to make compensation for damages arising out of the failure of the Teton Dam a feature of the Teton Basin Federal reclamation project in Idaho, and for other purposes; to the Committee on the Judiciary.

S. 3557. An act to authorize the appropriation of funds necessary during the fiscal year 1977 to implement the provisions of the Treaty of Friendship and Cooperation between the United States and Spain, signed at Madrid on January 24, 1976, and for other purposes; to the Committee on International Relations.

S. Con. Res. 123. Concurrent resolution, extension of contract for Fort Mohave, Nev.; to the Committee on Interior and Insular Affairs.

ENROLLED BILL SIGNED

Mr. HAYS of Ohio, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 12384. An act to authorize certain construction at military installations and for other purposes.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 98. An act to authorize the Secretary of the Interior to establish the Klondike Gold Rush National Historical Park in the States of Alaska and Washington, and for other purposes;

S. 3122. An act to extend to authorization for appropriations to carry out the Endangered Species Act of 1973;

S. 3147. An act to extend the Marine Protection, Research, and Sanctuaries Act for 2 years; and

S. 3475. An act relating to the display of certain historical documents within the U.S. Capitol Building during the calendar year 1976.

BILL AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. HAYS of Ohio, from the Committee on House Administration, reported that that committee did on June 18, 1976, present to the President, for his approval, a bill and a joint resolution of the House of the following title:

H.R. 10268. An act to amend title 38 of the United States Code to clarify the purposes for which the Administrator of Veterans' Affairs may release the names and/or addresses of present and former members of the Armed Forces and their dependents; and

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

ADJOURNMENT

Mr. OTTINGER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 7 minutes p.m.), under its previous order, the House adjourned until tomorrow, Tuesday, June 22, 1976, at 10 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3527. A letter from the Chairman, Federal Deposit Insurance Corporation, transmitting the interim annual report of the Corporation for calendar year 1975, pursuant to section 2[17] of the act of September 21, 1950; to the Committee on Banking, Currency and Housing.

3528. A letter from the Acting Chairman, Federal Home Loan Bank Board, transmitting the Board's annual report on mutual-to-stock conversions of federally insured savings and loan institutions, pursuant to section 402(j)(5) of the National Housing Act, as amended (88 Stat. 1505); to the Committee on Banking, Currency and Housing.

3529. A letter from the Director, Office of Regulatory Review, Department of Health, Education, and Welfare, transmitting proposed final regulations governing the award of grants under the Bilingual Education Act, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

3530. A letter from the Attorney General, transmitting a draft of proposed legislation to clarify the terms of the Speedy Trial Act of 1974; to the Committee on the Judiciary.

3531. A letter from the Controller, Ameri-

can Chemical Society, transmitting the annual audit report of the Society for calendar year 1975, pursuant to section 3 of Public Law 88-504; to the Committee on the Judiciary.

3532. A letter from the Chairman of the Board, U.S. Naval Sea Cadet Corps, transmitting the annual audit report of the corps for the year ended March 31, 1976, pursuant to section 3 of Public Law 88-504; to the Committee on the Judiciary.

RECEIVED FROM THE COMPTROLLER GENERAL

3533. A letter from the Comptroller General of the United States, transmitting a report on the Department of Defense's efforts to operate its waste water treatment plants in compliance with the Federal Water Pollution Control Act Amendments of 1972; jointly, to the Committees on Government Operations, Public Works and Transportation, and Armed Services.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ULLMAN: Committee on Ways and Means. H.R. 12112. A bill to provide additional assistance to the Energy Research and Development Administration for the advancement of nonnuclear energy research, development, and demonstration; with amendment (Rept. No. 94-1170, Pt. III). Ordered to be printed.

Mr. REUSS: Committee on Banking, Currency and Housing. H.R. 13955. A bill to provide for amendment of the Bretton Woods Agreement Act, and for other purposes; with amendment (Rept. No. 94-1284). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSON of California:

H.R. 14471. A bill to reduce the hazards of earthquakes, and for other purposes; to the Committee on Science and Technology.

By Mr. DERWINSKI (for himself and Mr. FISHER):

H.R. 14472. A bill to authorize the construction and maintenance of the General Draza Mihailovich Monument in Washington, District of Columbia, in recognition of the role he played in saving the lives of approximately 500 U.S. airmen in Yugoslavia during World War II; to the Committee on House Administration.

By Mr. DUNCAN of Tennessee:

H.R. 14473. A bill to amend title II of the Social Security Act so as to liberalize the conditions governing eligibility of blind persons to receive disability insurance benefits thereunder; to the Committee on Ways and Means.

By Mr. HARRINGTON:

H.R. 14474. A bill to provide for posting information in post offices with respect to registration, voting, and communicating with lawmakers; to the Committee on Post Office and Civil Service.

By Mr. HOWARD (for himself, Mr. DOMINICK V. DANIELS, and Mr. THOMPSON):

H.R. 14475. A bill to authorize a demonstration project under section 6 of the Urban Mass Transportation Act of 1964; to the Committee on Public Works and Transportation.

By Mr. HUNGATE:

H.R. 14476. A bill to provide for a temporary special prosecutor in appropriate cases, and for other purposes; to the Committee on the Judiciary.

By Mr. JEFFORDS:

H.R. 14477. A bill to require a refund value for certain beverage containers, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. KOCH:

H.R. 14478. A bill to amend the Internal Revenue Code of 1954 to allow the medical expense deduction to an individual whether or not the individual itemizes his deductions and to eliminate certain restrictions on the medical expense deduction in the case of taxpayers over age 65; to the Committee on Ways and Means.

By Mr. MADIGAN (for himself, Mr. ROONEY, and Mr. SKUBITZ):

H.R. 14479. A bill to amend the Railroad Revitalization and Regulatory Reform Act of 1975 (Public Law 94-210); jointly to the Committees on Interstate and Foreign Commerce, and Public Works and Transportation.

By Mr. MURTHA:

H.R. 14480. A bill to amend the Internal Revenue Code of 1954 to increase the rate of tax imposed on tax preferences from 10 percent to 14 percent and to reduce the amount of tax preference exempt from such tax; to the Committee on Ways and Means.

By Mr. REUSS:

H.R. 14481. A bill to amend title XVIII of the Social Security Act to authorize payment under the medicare program for certain services performed by chiropractors; to the Committee on Ways and Means.

By Mr. ARCHER:

H.R. 14482. A bill to amend the Third Supplemental Appropriations Act, 1957, to provide that unexpended funds subject to disbursement by the Clerk of the House of Representatives shall be returned to the Treasury of the United States 4 months after the close of the fiscal year for which such funds are appropriated; to the Committee on Appropriations.

By Mr. STEELMAN:

H.R. 14483. A bill to establish a Minority Business Development and Assistance Administration in the Department of Commerce for the purpose of improving Federal assistance to minority business enterprises, and for other purposes; jointly to the Committees on Banking, Currency and Housing, and Government Operations.

By Mr. ARCHER:

H. Res. 1329. Resolution to provide that expenditures from the contingent fund of the House of Representatives may be made only upon approval by the House of Representatives; to the Committee on House Administration.

H. Res. 1330. Resolution to provide that information provided to Members of the House of Representatives by the Clerk of the House of Representatives relating to certain expenses incurred by such Members shall be available for public inspection; to the Committee on House Administration.

H. Res. 1331. Resolution to provide that unexpended balance of the stationery allowances of Members of the House of Representatives shall be transferred to the contingent fund of the House of Representatives at the close of each Congress; to the Committee on House Administration.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 14231

By Mr. OTTINGER:

On page 27, between lines 18 and 19, insert the following:

"SEC. 109. No part of the appropriations made available under this title shall be available for the use of the Federal buildings located at 900 Ohio Drive, Haines Point in the District of Columbia by any concessioner of the National Park Service for any purpose."

H.R. 14232

By Mr. SCHEUER:

Page 9, line 18, strike out "$981,021,000" and insert in lieu thereof "$1,002,906,000".

Page 12, line 25, strike out "development, $140,343,000." and insert in lieu thereof "development and population research, $156,500,000, of which $60,000,000 shall be available to carry out population research pursuant to title X of such Act.".

By Mr. SKUBITZ:

On page 7, strike the period at the end of line 25, and insert in lieu thereof: ": *Provided*, That none of the funds appropriated under this paragraph shall be obligated or expended to prescribe, issue, administer, or enforce any standard, rule, regulation, or order under the Occupational Safety and Health Act of 1970 which is applicable to any person who is engaged in a farming operation and employs 10 or fewer employees."

H.R. 14233

By Mr. BURLISON of Missouri:

On page 19, line 24, strike out "$18,000,000" and insert in lieu thereof "$6,800,000".

By Mr. DRINAN:

Page 19, line 24, strike out "$18,000,000" and insert in lieu thereof "$6,800,000".

H.R. 14234

By Mr. HOWARD:

Amendment No. 1: Page 26, strike out lines 15 through 18, inclusive, and renumber the succeeding sections accordingly.

Amendment No. 2: Page 26, strike out lines 19 through 23, inclusive, and renumber succeeding sections accordingly.

Amendment No. 3: Page 30, strike out line 22 and all that follows down through and including line 3 on page 31 and renumber succeeding sections accordingly.

Amendment No. 4: Page 31, strike out lines 4 through 8, inclusive, and renumber succeeding sections accordingly.

FACTUAL DESCRIPTIONS OF BILLS AND RESOLUTIONS INTRODUCED

Prepared by the Congressional Research Service pursuant to clause 5(d) of House rule X. Previous listing appeared in the Congressional Record of June 18, 1976, page H6267.

HOME BILLS

H.R. 13926. May 20, 1976. Interstate and Foreign Commerce. Reaffirms the intent of Congress with respect to the structure of the common carrier telecommunications industry rendering services in interstate and foreign commerce. Grants additional authority to the Federal Communications Commission to authorize mergers of carriers when deemed to be in the public interest. Reaffirms the authority of the States to regulate terminal and station equipment used for telephone exchange service. Requires the Federal Communications Commission to make specified findings in connection with Commission actions authorizing specialized carriers.

H.R. 13927. May 20, 1976. Education and Labor. Establishes a program of disability benefits to fluorspar miners who are disabled as a result of respiratory disease arising from their employment. Authorizes payments to surviving dependents of miners who died from work-related respiratory disease.

Establishes a rebuttable presumption that

respiratory diseases of miners employed for ten years of more in fluorspar mines arose out of such employment. Directs the Secretary of Health, Education, and Welfare to conduct research, develop testing procedures, and build clinical facilities to assist in examination and treatment of fluorspar miners.

H.R. 13928. May 20, 1976. Judiciary. Amends the Civil Rights Act of 1964 to prohibit discrimination based on affectional or sexual preference in: (1) public accommodations, (2) public facilities, (3) public education, (4) federally assisted opportunities, (5) equal employment opportunities, (6) housing, and (7) educational programs receiving Federal assistance.

H.R. 13929. May 20, 1976. Ways and Means. Amends the Social Security Act to exclude from the classification of unearned income with respect to the Supplemental Security Income program, the support and maintenance provided to a mentally retarded individual by the family of such an individual. Specifies the treatment of other forms of income to mentally retarded individuals.

Requires action on applications for supplemental security income benefits within a maximum of 60 days.

H.R. 13930. May 20, 1976. Interior and Insular Affairs. Amends the National Trails System Act to direct a study of the desirability and feasibility of designating the Nez Perce Trail, Oregon, Idaho, and Montana.

H.R. 13931. May 20, 1976. Judiciary; Rules. Requires that the public be given an opportunity to participate in the rulemaking proceedings of a Federal agency.

Requires that proposed rules be submitted to Congress for disapproval before they become effective.

H.R. 13932. May 20, 1976. Ways and Means. Denies the benefits of the foreign tax credit, under the Internal Revenue Code, to a taxpayer, or a member of a controlled group which includes the taxpayer, who is determined by the Secretary of the Treasury to have participated in or cooperated with the boycott of Israel, with respect to income, war profits, or excess profits taxes paid or accrued to any country which requires such participation or cooperation as a condition of doing business within that country.

Denies DISC benefits to any DISC that the Secretary of the Treasury determines has participated in or cooperated with the boycott of Israel.

H.R. 13933. May 20, 1976. Post Office and Civil Service. Entitles physicians employed by the Federal Government to a professional allowance in addition to basic pay.

Authorizes Federal agencies to enter into service agreements with prospective government physicians whereby the physician is paid a bonus in return for agreeing to work a specified number of years in such agency.

H.R. 13934. May 20, 1976. District of Columbia. Restates the Federal charter of the George Washington University, Washington, D.C.

H.R. 13935. May 20, 1976. Ways and Means. Amends the Internal Revenue Code to provide that specified losses from shoreline erosion shall be deductible from gross income for purposes of the individual income tax.

H.R. 13936. May 20, 1976. Requires that any rule proposed by any Federal agency be submitted to Congress for approval along with a cost-benefit analysis of such rule.

Permits holding employees, rather than their employers, responsible for violations of agency rules if such employee violated such rule.

H.R. 13937. May 20, 1976. Ways and Means. Amends the Tariff Act of 1930 to exempt private vessels and aircraft entering or departing the United States at night or on Sunday or a holiday from required payment to the United States for overtime services of customs officers and employees.

Prohibits imposition of any such charge upon the owner, operator, or agent of such private aircraft or vessel for the services of officers and employees of (1) the Immigration and Naturalization Service, (2) the Public Health Service, or (3) the Department of Agriculture.

H.R. 13938. May 20, 1976. Judiciary. Declares a certain individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 13939. May 20, 1976. Judiciary. Declares a certain individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 13940. May 20, 1976. Judiciary. Directs the Comptroller General to pay a specified sum to certain individuals in full settlement of such individuals' claims against the United States arising from certain costs incident to a permanent change of duty station.

H.R. 13941. May 20, 1976. Judiciary. Directs that a certain Foreign Service annuity be adjusted in a specified manner.

H.R. 13942. May 20, 1976. Judiciary. Declares a certain individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 13943. May 20, 1976. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a certain individual in full settlement of such individual's claims against the United States for expenses incurred pursuant to a certain contract with the United States.

H.R. 13944. May 20, 1976. Judiciary. Declares a certain individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 13945. May 21, 1976. Banking, Currency and Housing. Direct the Administrator of the Energy Research and Development Administration to assist communities in developing solar energy community utility programs. Establishes a revolving fund for continued financing of such program.

H.R. 13946. May 21, 1976. Ways and Means. Amends the Social Security Act by including the services of optometrists under the Medicare supplementary medical insurance program.

H.R. 13947. May 21, 1976. Government Operations; Rules. Establishes a pilot demonstration program of termination and review to cover all Federal agencies. Terminates specified agencies on specified dates and provides that such agencies may be reestablished for a period not to exceed six years only after Congress has conducted public hearings to evaluate such agency.

H.R. 13948. May 21, 1976. Public Works and Transportation. Designates the United States Army Engineer Waterways Experiment Station in Vicksburg, Mississippi, as the "Will M. Whittington Waterways Experiment Station."

H.R. 13949. May 21, 1976. Banking, Currency and Housing. Directs the Administrator of the Energy Research and Development Administration to assist communities in developing solar energy community utility programs. Establishes a revolving fund for continued financing of such programs.

H.R. 13950. May 21, 1976. Interior and Insular Affairs. Regulates surface coal mining operations through a permit program administered by the Secretary of the Interior. Requires applicants to meet minimum environmental protection performance standards. Allows States to establish surface mining control programs at least as stringent as minimum Federal standards.

Includes provisions to fund mineral resources research programs and to provide for reclamation of abandoned mine sites.

H.R. 13951. May 21, 1976. Ways and Means; Judiciary. Establishes on the books of the Treasury a fund to be known as the "United States Olympic Fund." Allows an individual taxpayer to designate that $1 of any overpayment of his tax, or $1 of any contribution which he makes with his return be available to such fund.

Provides that amounts in the fund shall be available as stated in appropriation Acts, to the United States Olympic Committee, for specified purposes.

H.R. 13952. May 21, 1976. Interstate and Foreign Commerce. Reaffirms the intent of Congress with respect to the structure of the common carrier telecommunications industry rendering services in interstate and foreign commerce. Grants additional authority to the Federal Communications Commission to authorize mergers of carriers when deemed to be in the public interest. Reaffirms the authority of the States to regulate terminal and station equipment used for telephone exchange service. Requires the Federal Communications Commission to make specified findings in connection with Commission actions authorizing specialized carriers.

H.R. 13953. May 21, 1976. Interstate and Foreign Commerce. Amends the Securities Exchange Act of 1934 to require each registered issuer of securities to file periodic reports relating to any payment of money over $1,000 to any person including one employed by a foreign government and a foreign political party or candidate.

H.R. 13954. May 21, 1976. Ways and Means. Provides that in any legal action initiated by the Government, or in any action instituted by a taxpayer contesting the accuracy of a deficiency or claiming a refund of taxes paid where the taxpayer prevails or substantially prevails, the Government shall be liable for the reimbursement in full of all reasonable litigation expenses incurred by the taxpayer as a consequence of legal defense, under the Internal Revenue Code.

H.R. 13955. May 21, 1976. Banking, Currency and Housing. Amends the Bretton Woods Agreement Act to authorize the United States Governor of the International Monetary Fund to accept specified amendments to the Articles of Agreement of the Fund. Redefines certain actions by the President with respect to the International Monetary Fund and the International Bank for Reconstruction and Development which require Congressional approval.

Amends the Par Value Modification Act to repeal the authority of the Secretary of the Treasury to establish a new par value of the dollar. Amends the Gold Reserve Act of 1934 to set the legal standard for the value of gold held against gold certificates.

H.R. 13956. May 21, 1976. Judiciary. Amends the Immigration and Nationality Act to repeal the exemption of aliens from Western Hemisphere nations from the right to petition the Attorney General to have their status changed to permanent resident alien.

Prohibits the employment or referral for employment for a fee of any alien not lawfully admitted to the United States for permanent residence.

Allows specified aliens who entered the United States illegally to become permanent resident aliens.

H.R. 13957. May 21, 1976. Interior and Insular Affairs. Establishes the George W. Norris Home National Historic Site, Nebraska.

H.R. 13958. May 21, 1976. Armed Services. Revises the standards and procedures relating to appointment, promotion, separation, and retirement of members of the Armed Forces. Creates a new rank of commodore admiral within the Navy.

H.R. 13959. May 21, 1976. Education and Labor. Amends the Comprehensive Employ-

ment and Training Act of 1973 to establish in the Department of Labor an Office of Youth Employment. Authorizes the Director of such office to provide financial assistance through grants and contracts for comprehensive work and training programs designed to provide high school students and unemployed youths with part-time employment, summer jobs, counseling, and job training opportunities.

H.R. 13960. May 21, 1976. Education and Labor. Amends the Comprehensive Employment and Training Act of 1973 to establish in the Department of Labor an Office of Youth Employment. Authorizes the Director of such office to provide financial assistance through grants and contracts for comprehensive work and training programs designed to provide high school students and unemployed youths with part-time employment, summer jobs, counseling, and job training opportunities.

H.R. 13961. May 21, 1976. Interstate and Foreign Commerce. Amends the Communications Act of 1934 to increase the notice period required for changes in charges, classifications, regulations, or practices of common carriers engaged in interstate or foreign communication by wire or radio. Increases the period of time the Federal Communications Commission may suspend such changes pending a hearing on their reasonableness.

H.R. 13962. May 21, 1976. Ways and Means. Amends the Internal Revenue Code to increase the deduction allowed for contribution to individual retirement accounts. Eliminates the present prohibition of such deduction by taxpayers who are participants in other retirement plans.

H.R. 13963. May 21, 1976. Ways and Means. Amends the Internal Revenue Code to increase the estate tax exemption to $200,000.

H.R. 13964. May 21, 1976. Judiciary. Confers jurisdiction upon the United States District Court for the Middle District of Georgia to adjudicate certain claims arising from a specified boating accident. Declares such suits to be timely.

H.R. 13965. May 21, 1976. Appropriates funds for the District of Columbia for fiscal year 1976 and the transitional quarter for specified uses. Sets guidelines and limitations for the expenditure of such funds.

H.R. 13966. May 24, 1976. Ways and Means. Amends the Internal Revenue Code to provide a single unified rate schedule for estate and gift taxes. Repeals the estate and gift tax exemptions. Substitutes for such exemptions a credit against estate and gift taxes. Provides an additional credit against the estate tax for certain farms and closely held businesses passing to a qualified heir. Increases the estate and gift tax marital deduction. Imposes a tax on the unrealized appreciation of property transferred by a decedent. Allows the executor of an estate which includes real farm property to value the property as a farm, rather than at its fair market value basis on its best use.

H.R. 13967. May 24, 1976. Ways and Means. Amends the Tariff Schedules of the United States to increase for a five-year period the customs duty on specified hand tools.

H.R. 13968. May 24, 1976. Banking, Currency and Housing. Amends the National Housing Act to authorize the Government National Mortgage Association to make monthly housing investment interest differential payments to lenders in order to stimulate housing purchases.

H.R. 13969. May 24, 1976. Ways and Means. Amends the Internal Revenue Code to allow the investment tax credit for farm property used in connection with an individual's farm, if such property was acquired by such individual from one of his ancestors or from a closely held business of such an ancestor.

H.R. 13970. May 25, 1976. Armed Services. Makes it unlawful for any individual or entity to solicit or enroll any Member of the armed forces in any labor organization or for any member of the armed forces to join, or encourage others to join, any labor organization. Sets forth penalties for violations of this Act.

H.R. 13971. May 24, 1976. Interstate and Foreign Commerce. Reaffirms the intent of Congress with respect to the structure of the common carrier telecommunications industry rendering services in interstate and foreign commerce. Grants additional authority to the Federal Communications Commission to authorize mergers of carriers when deemed to be in the public interest. Reaffirms the authority of the States to regulate terminal and station equipment used for telephone exchange service. Requires the Federal Communications Commission to make specified findings in connection with Commission actions authorizing specialized carriers.

H.R. 13972. May 24, 1976. Ways and Means. Amends the Social Security Act by including the services of optometrists under the Medicare supplementary medical insurance program.

H.R. 13973. May 24, 1976. Veterans' Affairs. Extends the delimiting period for completing veterans' education programs in the case of certain eligible veterans.

H.R. 13974. May 24, 1976. Rules. Establishes the Citizens' Oversight Panel to accept sworn complaints alleging violations of standards of ethics by a Member, officer, or employee of the House of Representatives. Empowers the panel to direct the Committee on Standards of Official Conduct of the House of Representatives to undertake a study of such allegations.

H.R. 13975. May 24, 1976. District of Columbia. Subjects any person charged with a capital, dangerous, or violent crime, in the District of Columbia or a defendant who threatens, injures or attempts to threaten or injure any prospective juror or witness, to the same standards and procedures with respect to pretrial release as other criminal defendants unless a judicial officer has reason to believe on the basis of clear and convincing evidence that no condition of release will reasonably assure that the person will not flee or pose a danger to any person or to the community.

EXTENSIONS OF REMARKS

THE REAL STORY OF A RUSSIAN PRISONER

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 21, 1976

Mr. CRANE. Mr. Speaker, the Soviet Union, unfortunately, remains very much the police state it has been since the Russian Revolution of 1917.

Millions of men, women, and children have passed through the slave labor camps which have now been so well described to us by Alexandr Solzhenitsyn. Why were they sent to these camps? In "Gulag Archipelago II," Solzhenitsyn provides some examples: A tailor, laying aside his needle, stuck it into a newspaper on the wall so it would not get lost and happened to stick it in the eye of a portrait of Kaganovich. A customer observed this and he received 10 years for terrorism. In another instance, a saleswoman accepting merchandise from a forwarder noted it down on a sheet of newspaper. The number of pieces of soap happened to fall on the forehead of Stalin. The sentence was 10 years.

More than 66 million people in the Soviet Union were slaughtered between 1918 and 1959 by their own leaders. Many in the West, however, refused to face these facts until 1956, when the Communists themselves admitted them. Too often, they blamed it on one evil man—Stalin. The fact is, however, that such barbarism occurred long before Stalin's rise to leadership and continues today—long after his death. Torture and assault upon human dignity are, it seems, intrinsic elements of communism.

A new and valuable book has just been published, "The Notebooks of Sologdin," by Dimitri Panin. Panin himself was the prototype for the character Sologdin in Solzhenitsyn's "The First Circle." Now, he has told his story.

In a review of this book for the New York Times Book Review, Olga Carlisle notes that "The Notebooks" provides both an authoritative corroboration of the more sweeping and comprehensive "The Gulag Archipelago" and a chilling vision of Stalin's vast, gray empire of terror. Portraits of fellow zeks, and especially of the dangerous common criminals scattered through Soviet labor camps who plague the political prisoners are strongly drawn.

We should not permit the so-called era of détente to close our eyes to the harsh realities of life under communism. Those who read this book will be brought face to face with those realities. I wish to share with my colleagues the review of "The Notebooks of Sologdin" by Olga Carlisle as it appeared in the New York Times Book Review of April 18, 1976, and insert it into the RECORD at this time:

THE NOTEBOOKS OF SOLOGDIN

(By Olga Carlisle)

Readers of Alexandr Solzhenitsyn's "The First Circle" will remember Dimitri Sologdin as the rigorously self-disciplined prisoner-engineer, chopper of wood, steadfast opponent of the Stalinist regime, and guru of survival and spiritual growth in the world of the Gulag Archipelago. It was Sologdin who engaged in intellectual jousts with the equally steadfast Communist Lev Rubin (the character based on the philologist Lev Kopelev, whose memoir "To Be Preserved Forever" is to be published in the West this year). It was Sologdin who taught Gleb Nerzhin, Solzhenitsyn's autobiographical character, his rules not only for survival in the *zek* (prisoner) community but also for drawing strength from the system designed to destroy them.

Solzhenitsyn had modeled his fictional Sologdin on the real-life prisoner Dimitri Panin. Now in the American translation of

his "Notebooks," Panin relates his experiences, observations and "mental activities" during his 13 years of grinding prison and camp experience, emerging as a less eccentric, in some ways more admirable, figure than the fictional Sologdin.

Despite editing, Panin speaks in his own voice, original, sometimes exalted, worth listening to; for "The Notebooks" indicate very palpable model. Indeed it is possible that Solzhenitsyn created Sologdin from a that Panin, eight years older than Solzhenitsyn, an Orthodox Christian then (now a Catholic), with his longer prison experience, may have taught Solzhenitsyn more than the fictional Sologdin taught Nerzhin. There are discrepancies between Panin's account and Solzhenitsyn's fiction. Sologdin is a camp "character," a lady's man and a careerist; Panin's Panin is an activist, a go-between with the authorities for the *zeks'* welfare.

Like other chroniclers of Soviet camps—Evgenia Ginzburg, the yet untranslated Olitzkaya, and Solzhenitsyn himself—as well as those who recorded the system as it extended outside the guard towers—Lydia Chukovskaya, Nadezhda Mandelstam—Panin writes with a passionate mission to cast light on an era of massive, regimented chaos and to make sense out of what happened to Russia. As a description of the prison system, "The Notebooks" provides both an authoritative corroboration of the more sweeping and comprehensive "The Gulag Archipelago" and a chilling vision of Stalin's vast, gray empire of terror. Portraits of fellow *zeks*, and especially of the dangerous common criminals scattered through Soviet labor camps who plague the political prisoners, are strongly drawn. There is a touching description of Solzhenitsyn reciting a long poem from memory to his friends in camp.

In "One Day in the Life of Ivan Denisovich," "The First Circle" and "The Gulag Archipelago," Solzhenitsyn carried out the progressive unveiling of Gulag with almost superhuman energy, concentration of intelligence, craft and courage. In accomplishing this task he acknowledges the collaboration of an unnamed list of others whose stories he drew upon; for it is one of his greatest gifts to make creative use of the experiences of others. And high on that list of collaborators must stand Dimitri Panin.

Panin and Solzhenitsyn both affirm that while great evil has taken root in Russia, strong individuals have arisen to resist it, to draw even greater strength and purity of heart from it: uniquely Russian men, tempered in an experience unmatched anywhere, men of faith in God, yet Nietzschean in their faith in self, *zeks*.

It is only now, with Solzhenitsyn's great work of unveiling accomplished with both men—Panin voluntarily, Solzhenitsyn against his will—in exile, that the message begins to ring strangely. For few outside Russia can account for their trenchantly anti-liberal opinions. In their views, Russia in this century fell on evil times, not because of the failure of the Czarist Government to provide leadership and to accept reforms, but because of the bungling of the reformers—Socialists, progressives, radicals, in pressing for them; nothing was to be looked for from seekers of freedom then, nothing now. Regeneration must arise from spiritual forces within the Russian people. Legitimate authority, with its sources in the people, the soil, the Church, must be restored, purified of falsehood and tyranny.

The authoritarian Sologdin who crudely castigates those who dreamed of and strove for social justice in Russia, is largely absent from the translation of his "Notebooks." The portrait which remains is of a remarkable man, the *zek* whose own spiritual power bursts from these pages, yet whose trials and sufferings, so courageously met, leave him a flawed prophet of Russia's hopes to emerge from the tyranny of the past.

WASHINGTON GROVE

HON. GILBERT GUDE

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, June 21, 1976

Mr. GUDE. Mr. Speaker, in this Bicentennial Year we look with great interest at the lifestyles and communities that have developed in our Nation. Washington Grove with its streets behind its homes instead of in front of them, is an unusual community in Maryland, with an active civic, political and cultural life.

This community is described in a report by Edith Yeager in the Montgomery County community newspaper, The Journal, on April 8:

To a casual observer, Washington Grove is part and parcel with Gaithersburg, and there are some area residents who have never heard of it.

This modern utopia, a "town within a forest," is a separate, incorporated entity. In custom and composition, the unique community has no parallel anywhere in the United States.

The town's oldest section consists of a circle with radiating avenues very similar to the original parts of nearby Annapolis.

Washington Grove, evenly divided between homes and parkland, existed informally for many years, and it was not until 1937 that it was incorporated and the town administration was turned over to a mayor and town council.

McCathran Hall, named after its first mayor and organizer of a brass band, is still the center of the town's civic and political activities. In addition to the mayor and a six-member city council, there are eight city government committees run by citizens, and several athletic and cultural groups that are very active, among them the Washington Grove Little Symphony.

To this day, only once has the validity of the town charter been challenged which prohibits the establishment of businesses within the corporate limits of the town.

The history of this quaint and dreamy community on 200 tree-covered acres is also unique. Washington Grove first became popular as a Methodist camp meeting ground in 1872. An association was formed, originally called "The Washington Grove Camp Meeting Association," and a charter was granted in 1874 by the legislature of Maryland. Bylaws were adopted by the stockholders for the governing body of the association. The capital stock was $20,000, divided into 1000 shares at $20 per share.

The meeting place and campground, primarily religious in nature, drew crowds of up to 10,000 on some Sundays, and soon local politicians discovered that the area was a natural forum for their various campaigns. A certain mound of earth and rock near the city's "Sacred Circle," first lighted by coal-oil lamps and later by gasoline torches, soon became known as "Political Hill."

Washington Grove increased in popularity, and the association built a hotel on Broadway surrounded by a country store, farmers' market and a barber shop. These buildings no longer exist.

An outstanding feature, which many say ought to be included in exemplary communities of the future, is the traffic system which has long functioned in Washington Grove. Homes face wide, graveled or grassed walkways that are restricted to pedestrian traffic. Cars must be driven and parked in back of the homes.

CONFRONTING THE KICKER

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, June 21, 1976

Mr. HUBBARD. Mr. Speaker, the House debate on the State and Justice Departments Appropriations bill for fiscal year 1977 will long be remembered by the heated exchange of views on the 1-percent kicker used to compute the retirement benefits of Federal employees. Rather than debating this issue time and time again, I believe the time has come for Congress to decide once and for all whether or not the kicker is justified, and if it is not, how the retirement benefits of Federal employees should be calculated to accurately reflect cost-of-living increases. In confronting this issue, I would like to bring to the attention of my House colleagues an editorial which appeared June 2, 1976, in the Kentucky New Era, the Hopkinsville, Ky. daily newspaper, Robert C. Carter is general manager.

The editorial is as follows:

COSTLY KICKER

An insidious little 1 per cent kicker connected with the consumer price index for retired federal employes allows these retirees to profit from inflation at taxpayer expense and has already cost $1.6 billion in added retirement payments.

The tricky little kicker comes on top of an automatic cost-of-living hike in federal retiree pensions not available in most private pension plans. It amounts to an inflation bonus for this select group of citizens.

Federal employe pensions are geared to increase each time the consumer price index goes up 3 per cent. As if this isn't advantage enough over average workers, these pensions increase by 4 per cent instead of the 3 per cent in actual inflation.

Thus the inflation bonus to retired members of Congress, all retired federal civil service employes, and retired military personnel and retirees from the Foreign Service and the CIA.

A look at federal retirement annuities since 1969 gives some insight into what all this means. The consumer price index has risen 50 per cent during this period, but these annuities have gone up by 63 per cent in the same seven years.

It is estimated that this unimportant-sounding little kicker has added $11.2 billion in future pension liabilities, much of which will be paid to the very people who pay so much lip service to reducing the inflation rate.

One retiree already benefitting from the kicker is former U.S. Rep. Hastings Keith (R-Mass.), who retired in March, 1973, with 20 years of federal service. He wants the abuse stopped and cites his case an an example

Keith says his retirement benefit has gone from $1,560 to $2,095 monthly in 30 months, $152 monthly of which comes from the kicker. That is over $1,800 a year, as much as many people draw from Social Security after working a lifetime.

Keith estimates that a 6 per cent annual inflation rate for 15 years will gain him

$6,000 a month, and the little 1 per cent kicker will benefit him by $76,000 extra dollars. He wants the outrage stopped, and so does President Ford.

Ford has asked Congress to pass several bills which would correct the disgraceful abuse, but Congress has yet to act. Committees are waiting for others to act first, claiming to be waiting for a complete reform of the system or just plain hoping no action will be necessary since inflation has slowed.

Some members of Congress obviously would rather not handle this hot potato during an election year because they are afraid of the political wrath of government employes and retirees. They should rightfully fear even more the outrage of the average taxpayer.

There simply is no reasonable way for members of Congress to justify continuing this patently unjust system which has allowed federal retirees to receive hikes in pension benefits 13 per cent greater than the cost-of-living increases over the past six years.

Small wonder the anti-Washington syndrome is sweeping the nation in this presidential election year. Such abuses can only make matters worse in the eyes of the voters.

It's time every citizen tells his senator or representative he wants this silly and outrageous practice stopped. Not after the elections, not later, but right now.

SELECTIVE SERVICE FUNDING

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, June 21, 1976

Mr. STEIGER of Wisconsin. Mr. Speaker, tomorrow, as we consider the HUD-Independent Agencies appropriations bill, I will be supporting an amendment calling for an appropriation of $6.8 million for the Selective Service System.

President Ford proposed the $6.8 million level in his budget message, and the administration remains committed to that figure. This reduction in the Selective Service budget was recommended with the realization that its legitimate functions have diminished and that a higher budget level would be a waste of the taxpayers' money for an outmoded agency.

Unfortunately, the instinct for self-preservation is high for agencies that have lost their reason for being. Selective Service is no exception. As a result of lobbying efforts on the part of its officials, we will be asked tomorrow to vote on a budget of $18 million for Selective Service.

The argument is that without a standby draft capability, we will not be able to respond adequately in case of war. The experience of World War I and World War II, in which we had rapid callups without a standby draft, pokes holes in this argument. Our ability to respond is even stronger now, with our Ready Reserves under the total force concept and improved computer technology to allow rapid mobilization.

Martin Anderson, in his excellent supplementary views to the Defense Manpower Commission report, which we received in April, argued that existence of a standby draft only gives us a false sense of security and provides "an excuse for not taking the hard steps that will strengthen our Reserve forces to the point where they can effectively back up our active forces." I hope all who vote tomorrow will weigh carefully his well-stated views.

The statement follows:

SUPPLEMENTARY VIEWS

(By Martin Anderson)

I find that I cannot support the Commission's recommendation that we reconstitute a standby draft system.

In the case of a sudden threat to our national security any form of a draft is virtually worthless; it simply takes too much time to train a person to be a competent soldier. The best we could hope for—standby draft or not—would be an influx of reluctant untrained troops many months after we needed them. As the Commission report itself states in Chapter IX, "The changing nature of war and its technology will not allow for any lengthy period of time for national mobilization for a major conflict. Thus, the national security relies on the ability to mobilize our Reserve Forces from a peacetime 'citizen soldier' status to a combat-ready soldier status in a relatively short time."

What is vital to our national security is a large Reserve Force, one that is really ready, one that can be called into service in a matter of days in case of emergency. The existence of a standby draft will only give a false sense of security to our people and our political leaders. It will be used as an excuse for not taking the hard steps that will strengthen our Reserve Forces to the point where they can effectively back up our active forces.

Clinging to a standby draft will also give false hopes to those who wish to dodge the managerial difficulties and cost of sustaining an All Volunteer Force, to those who would inflict the unconscionable agonies of the draft once again on the youth of the Nation and rest a good part of our national security on the skill and judgment of teenage conscripts rather than trained mature reservists.

The existence of a standby draft diminishes our national security and calls into question the commitment this Nation made a few years ago to raise its military manpower in a manner consistent with the principles on which it was founded.

PERSONAL EXPLANATION

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 21, 1976

Mr. LEHMAN. Mr. Speaker, due to long-standing commitments in my district, I was forced to leave Washington on Friday, June 18, before the House had completed consideration of H.R. 14239, the appropriations for the Departments of State, Justice, and Commerce, and for the Judiciary and related agencies.

Had I been present, I would have voted "aye" on roll No. 410, the Holtzman amendment to increase funds for the Law Enforcement Assistance Administration; "nay" on roll No. 411, the Miller motion to recommit the bill; and "yea" on roll No. 412, final passage.

INTELLIGENCE OVERSIGHT: WHAT IS THE HOUSE GOING TO DO ABOUT IT?

HON. WILLIAM S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, June 21, 1976

Mr. BROOMFIELD. Mr. Speaker, some time ago both Houses of this Congress completed their investigations of this Nation's intelligence community. The ultimate objective of this effort was reform and the recommendations that emerged from these extensive probes provided a wealth of material upon which to build a reformation.

Commendably, the Senate, by establishing a strong Oversight Committee, is well on its way toward implementing the most important of those proposals that pertain to Congress.

Unfortunately, we have not been able to keep pace with our senatorial colleagues. If anything, we seem to be back where we were prior to the commencement of our inquiries.

Such a turn of events is a stinging indictment of our ability to handle a matter of grave and pervasive importance. Despite the fact that over the past year the Murphy and Rockefeller Commissions, as well as both congressional Select Intelligence Committees, have strongly urged this Congress to concentrate rather than diffuse its intelligence oversight responsibility, this House continues an arrangement that has been proven conclusively to be wholly inadequate.

Since the inception of this session of Congress more than a score of intelligence oversight bills have been introduced in the House, and as far as I can determine, none of these have been even considered by the Rules Committee, much less reached the floor.

Mr. Speaker, it is absolutely imperative that we tarry no longer on this matter. Admittedly, this is a tough issue, but this Congress over the past 18 months has addressed a number of issues of commensurate difficulty and acquitted itself handsomely.

To walk away and shun an issue that has been a focal point of national attention for months would seriously mar an otherwise legislatively productive session. Moreover, if we leave this business unfinished, we can all count on our constituencies calling us to task during this election year for failing to bite such an important bullet.

Mr. Speaker, all this leads me respectfully to ask you to request the chairman of the Rules Committee to begin immediately a series of hearings on the various intelligence oversight proposals that are presently before this House. As I said earlier, thanks to exhaustive studies by both the executive and legislative branches of this Government, we now are all well aware of what this body needs to practice meaningful oversight. I am confident that, although as in the Senate it may be tough going along the way, we will be satisfied

with what ultimately evolves from these hearings. Most assuredly the final product will be an amalgamation of sundry ideas hammered out on the anvil of compromise. But that notwithstanding, I am sure it will represent a quantum jump forward over what currently masquerades as intelligence oversight. To those who may doubt this forecast, I suggest that they take a look at what has and is happening in the Chamber next door.

PREVENTING IMPROPER INFLUENCE OF FEDERAL LAW ENFORCEMENT AGENCIES

HON. WILLIAM L. HUNGATE

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, June 21, 1976

Mr. HUNGATE. Mr. Speaker, more than 4 years have passed since the Watergate break-in, and in that time Federal law enforcement has been scrutinized and studied by many diverse persons and groups. In June of 1973, shortly after the break-in, the president of the American Bar Association set up a special committee "to study the basic organizational framework for all the investigative and prosecutorial functions of the Federal justice system."

That committee, whose chairman was William B. Spann, Jr., of Atlanta, submitted its report entitled "Preventing Improper Influence on Federal Law Enforcement Agencies," which was approved by the ABA House of Delegates in February of this year. It recommended, among other things, that a Division of Government Crimes be established within the Justice Department to handle violations of Federal law by Government officials, violations of Federal campaign laws, and cases referred by the Federal Election Commission. It also recommended a procedure for appointing a temporary special prosecutor in appropriate cases.

These recommendations have been incorporated into title I of S. 495, the Watergate Reorganization and Reform Act of 1976. That bill, as its short title implies, is a comprehensive measure and includes provisions creating an Office of Congressional Legal Counsel and requiring certain financial disclosures by Government personnel. The Senate Committee on Government Operations reported favorably on the bill early last month, and the Senate is expected to take it up within the next 2 weeks.

In the House, the Judiciary Subcommittee on Criminal Justice has had legislative jurisdiction over special prosecutor legislation. Some of you may recall that in October and November of 1973, the subcommittee held several hearings concerning the appointment of a special prosecutor to handle the Watergate investigations. In fact, the subcommittee and the Committee on the Judiciary both recommended legislation on this subject.

It therefore seems appropriate, in view of the developments in the Senate, for the Subcommittee on Criminal Justice to renew its activity in this area. Thus, I am today introducing a bill to serve as a vehicle for subcommittee hearings. The bill is virtually identical to title I of S. 495, whose provisions have been endorsed not only by the ABA but also by Common Cause and former Special Prosecutors Leon Jaworski and Henry Ruth.

This bill will be the subject of a hearing by the Subcommittee on Criminal Justice on Wednesday, July 21. Persons wishing to testify are requested to contact the subcommittee in writing or by telephone—(202) 225-0406.

FATHER'S DAY

HON. JOHN G. FARY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 21, 1976

Mr. FARY. Mr. Speaker, each year since 1908, we have been setting aside a Sunday in June to express our regard, appreciation, and love for fathers throughout our great land. In 1972, the President signed a joint resolution designating the third Sunday in June of each year as Father's Day. The President's action, in response to many petitions submitted and many congressional resolutions introduced, vividly and dramatically acknowledged the paramount role of others in the American family and society.

In our modern industrial society, in which men have a multitude of roles, it is quite easy to relegate that of father to a secondary position. That, however, would be a serious mistake; there is no role more important and crucial for the well-being of the family, and ultimately the society, than that of father. Douglas MacArthur, one of our great military figures, stressed the overriding importance of fatherhood when he said:

> By profession I am a soldier and take pride in that fact. But I am prouder—infinitely prouder—to be a father. A soldier destroys in order to build; the father only builds, never destroys. The one has the potentiality of death; the other embodies creation and life. And while the hordes of death are mighty, the battalions of life are mightier still. It is my hope that my son, when I am gone, will remember me not from the battle but in the home repeating with him our simple daily prayer.

Just as a nation can only be as good and as decent as the society upon which it is founded, so a society can only be as good and as decent as the families comprising it. The integrity of the nation, in the final analysis, rests on the character of the family. A well-ordered, well-instructed, and well-governed family assures the civil order and public happiness essential for national greatness and prosperity attributes essential for a just and enduring society. The family is, as a very wise man has written, "the miniature commonwealth upon whose integrity the safety of the larger commonwealth depends." And in the family, the father plays a central role.

Within the family unit, a father, by his actions and behavior, serves as the model for his children. He instills in them a sense of discipline and integrity, inspires in them a love of country and respect for its institutions and ideals, infuses in them a love of justice and fair play. By his compassion, tenderness, and love he gives them a sense of security and confidence, a sense of sympathy and understanding for those less fortunate, a healthy personality enabling them to enter into meaningful and rewarding relationships. And, most important, a father sets the example of how his children, when they become parents, can raise their own children in a healthy and loving environment.

Fatherhood means many things, it is both a receiving and a giving. It is a receiving because nothing can compare with the happiness and joy children can bring to their fathers. It is a giving because nothing is as important as what a father can give to his children.

It is because of what fathers do for their children, and, in the process, for society, that we honor them on Father's Day.

The enclosed poem "Dad" by my dear friend the late James Metcalfe, poet laureate, is so appropriate for this day set aside for all fathers:

"DAD"

He is the one who shaves each morn . . . And leads the breakfast prayer . . . Then kisses all the family . . . And dashes down the stair . . . He works all day in some big place . . . Upon a busy street . . . At dusk he hurries home to bring . . . His little ones a treat . . . He reads the paper, smokes a pipe . . . And talks so very wise . . . He drives the car, he mows the lawn . . . And walks for exercise . . . He never seems to have enough . . . To pay the bills on hand . . . And yet he manages to meet . . . Each family demand . . . His kindness and his goodness are . . . His every thought and deed . . . He's always where he's needed and . . . He always fills the need.

THE 58TH ANNUAL NASSAU COUNTY AMERICAN LEGION CONVENTION

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 21, 1976

Mr. WOLFF. Mr. Speaker, we are all aware of the efforts the American Legion has expended on our communities' behalf. In addition, the Legion also provides important services to fill the specific needs of our veterans.

It was my pleasure to attend the 58th annual Nassau County American Legion Convention which was held June 2–5. I was honored to be among the distinguished guests. The committee for the convention was chaired by Arthur Rutz and included Kenneth Danielson, Commander John Sheppard, Richard Hockbrueckner, Raymond Gamble, Palmer Walsh, and Wesly Tietjen, who were also installed as new officers. Stephen Marlow, Frank Sailler, Frank Walsh, Jack Reich-

len, Robert Watterson, Carmine Rinaldi, Al Cinotti, Anthony Correri, and John Rizos were also installed at this 58th annual convention. I can only add my appreciation of the contribution of Marie Walchok and Mary Ann Zielinski.

Mr. Speaker, this convention reinforced my belief that Congress must continue its efforts to maintain our veteran's programs. The Nation's veterans were recently caught in a budget squeeze when the administration submitted a budget request for all veterans' programs that was far short of actual need. It was no less than a half a billion short of what the Veterans' Administration testified it needed just to maintain existing disability and pension benefits.

As a result of Congress' efforts, veterans' programs will not be cut and cost of living increases will be provided, but important legislative initiatives remain in doubt. The irresponsibility is on the part of the Administration which would shortchange veterans to compensate for overspending in other areas of its budget request. It is a sad commentary that the same Administration which would request unprecedented spending for defense would treat as second class citizens those who have served as the guardians of our defense.

I would also like to mention that in the 94th Congress alone I have introduced 24 bills concerned with the welfare of veterans and their families. Some of these include: H.R. 7354, which would provide for the payment of supplemental tuition allowances for certain veterans pursuing educational programs; H.R. 7177, which would insure that the recipients of veterans' pensions and compensation will not have the amount of such pension and compensation reduced because of increases in monthly social security benefits, and H.R. 9144, which would entitle widows and surviving children of veterans, and veterans, to a maximum of 45 months of educational assistance.

Finally, whenever we speak about veterans' affairs, we inevitably return to a discussion about that fine veterans' institution, the American Legion. In a world plagued with man's inhumanity to man, it is a consolation to know that the American Legion is always there to lend a helping hand.

TWO-HUNDRED YEARS AGO TODAY

HON. CHARLES E. WIGGINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 21, 1976

Mr. WIGGINS. Mr. Speaker, 200 years ago, on June 24, 1776, the Continental Congress appointed a committee consisting of a member from each colony to investigate the reasons for the collapse of the military effort in Canada. Following the evacuation of Montreal and the retreat from Quebec, American forces had suffered a disasterous defeat when they attempted to capture Trois Rivers, a heavily defended position halfway between Montreal and Quebec. In this encounter, American losses totaled about 400 men while the British suffered only 17 casualties.

The disorganized and demoralized remnant of American troops in the St. Lawrence Valley were being hard-pressed by advancing British forces, and it was obvious that all American forces would soon be pushed out of Canada. In a letter to Congress dated June 23, Washington referred to the troops as "our shattered, divided, and broken Army."

FROM SPACE TO THE PLAYING FIELD

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 21, 1976

Mr. TEAGUE. Mr. Speaker, our space program enriches our lives in education, transportation, industry, communication, and many other areas on a daily basis.

Jean Hall, writing in the May 1, 1976, edition of Sportscope points to yet another area of our lives being improved by the technology contribution of the space program—recreation. These space-program-derived innovations create new jobs and opportunities thus not only contributing to our pleasure but also to our economy. The article follows:

FROM SPACE TO THE PLAYING FIELD

(By Jean Hall)

This may not be the best of all possible worlds, but space scientists have been doing their best to make it a better one.

Among the thousands of spinoff products of the National Aeronautics and Space Administration (NASA), many inventions have enhanced the world of sport.

The hang glider bringing joy to those adventurous souls lucky enough to have one was originally designed at the NASA Langley Research Center to recover spacecraft. It is now being produced for sale to sportsmen at the rate of about 1,000 a month.

Simple to control, all it requires is that you pull back on the control bar to pick up speed and lower your altitude. Pushing forward will slow you down and level you off. Push left and you go right, and vice versa. You can get one ready to fly or buy the kit and make one of three versions—prone, upright or with swing-seat harness.

What have the Dallas Cowboys got that other teams are thinking about? Helmets padded with a space spinoff plastic foam that assumes the shape of the wearer's head and bounces back to its original shape even after 90 per cent compression. The plastic absorbs sudden impact without shock or rebound—a three-inch thick pad can absorb all the energy from a 10-foot fall by an adult.

Called "Temper Foam" by its inventor, it is not only going into football helmets, but into other athletic equipment like body pads, chest protectors and shin guards. It will also be used to pad wheelchairs and be used as pads in hospitals.

For golfers, a space spinoff has resulted in better clubs. A new composite material allows for a lighter shaft in relationship to the club head, resulting in better control and an easier swing.

Blankets for campers and a jacket, both adapted from space applications, are made of metalized polyester "superinsulation" that is highly visible, lightweight, waterproof and radar reflective.

One blanket, measuring four-and-a-half feet by seven feet, weighs only 12 ounces and can be used to keep heat in or out. Another, an emergency rescue blanket, is strong enough to be used as a litter, yet folds up so small that it can be carried in a shirt pocket. The 10-ounce jacket either retains or deflects heat, depending on which side you wear on the outside.

Even in the coldest weather, your hands and feet can be warm with gloves and boots electrically heated. These have been adapted from spacesuit designs. The thermal gloves and boots utilize space insulation materials and techniques.

Thinking about buying a pleasure boat? You might want to consider investigating a new product (check with the Boating Industry Association) which is safer. The principal hazard of gasoline-fueled pleasure boats—fire or explosion—is being greatly reduced by coatings adapted from space technology.

Going skiing next winter? You'll probably be able to buy fogless ski goggles because of another coating derived from NASA, which has issued more than 60 non-exclusive licenses to small companies for the compound. Other applications include deep sea diving masks, eyeglasses, vehicle windows and fire protection helmets.

These things are here today; within less than a decade a whole new world of sports—one in space—may begin to take shape.

Construction of the first space community, halfway between earth and the moon, is considered feasible in the 1980s. In that pioneer village in the sky (an island contained in a sectional vessel or kind of giant terrarium) gravity and weather could be controlled at will.

Human-powered flight would be easy, and certainly would be developed as a sport. With reduced gravity, activities like ballet would take on a whole new dimension; even the most portly could move about gracefully.

Bodies of water for swimming and boating are already part of the plan outlined to members of Congress recently at a hearing before the Subcommittee on Space Science and Applications of the House Science and Technology Committee.

In the meantime, space spinoffs are proliferating right here on earth to enhance the sport of your choice and to offer you new ones.

PANAMA CANAL: STILL A VITAL WATERWAY

HON. WILLIAM J. HUGHES

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, June 21, 1976

Mr. HUGHES. Mr. Speaker, I rise in strong support of the Snyder amendment to the State-Justice appropriations legislation for fiscal year 1977 which declares that this Nation shall not negotiate away its historic interest in the Panama Canal.

Negotiations for a new treaty with Panama have been going on for the past 3 years. We all know they are of the most delicate nature. Despite the advent of new technology, the canal is still a vital waterway link important to the economy and national defense of the United States. Almost 70 percent of the canal

traffic originates and terminates in U.S. ports.

While the U.S. Senate bears the constitutional responsibility to ratify new treaties, the House of Representatives nonetheless according to the Constitution has the responsibility "to dispose of and make all needful rules and regulations respecting the territory or other property belonging to the United States."

I, therefore, believe that this amendment is certainly in order and intend to express the overwhelming sentiment of my constituents that this Nation not relinquish nor negotiate away its rights and responsibilities in the Canal Zone.

RECENT STUDY ESTABLISHES NEED FOR IMPROVED FEDERAL HANDGUN CONTROLS

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 21, 1976

Mr. McCLORY. Mr. Speaker, in the course of my consideration of amendments to the Federal firearms laws, I have urged that the law-abiding gunowners should support the kind of legislation on which several of my colleagues and I have been working—directed at the criminal misuse and illegal trafficking in handguns.

Strong and convincing support for this position appears in a recent study reported to have been financed by the Remington Arms Co.

Mr. Speaker, I am satisfied that arms manufacturers and those who cherish the privilege of arms ownership for lawful purposes should unite in support of the proposed legislation which the House Judiciary Committee has recommended by a vote of 20 to 12.

Mr. Speaker, to suggest that there are no loopholes or deficiencies in the present Federal firearms laws is to ignore what should be obvious to all Americans, including gunowners and nongunowners. And for the Congress to do nothing about these deficiencies during this Congress—notwithstanding that we are in an election year—is, in my opinion, dereliction of our responsibilities.

Mr. Speaker, there is nothing in the pending legislation which would deny to a single law-abiding citizen the right to purchase or possess a lawful weapon for his or her own legitimate use. On the other hand, there are many provisions which would discourage the acquisition of handguns by criminal elements in our society. Furthermore, the committee bill contains provisions which would aid in the apprehension and hopefully the conviction of those who engage in any unlawful traffic in handguns and who employ handguns in connection with their careers in crime.

Mr. Speaker, I am pleased to attach the enclosed article by Jack Anderson which appeared in the Sunday Washington Post—and which should give added impetus to much-needed handgun control legislation during this session of the Congress. The article follows:

A GUN STUDY BACKFIRES

(By Jack Anderson)

Like a gun backfiring on its owner, a study funded by a giant firearms manufacturer has wound up blasting the National Rifle Association, which has been the bulwark of the gun lobby.

The blast has left the powerful, implacable NRA with some severe powder burns. In stinging language, the study charges that the NRA's diehard supporters live "in a make-believe world of sacred rights, ancient skills and coonskins" and that "like the inhabitants of Hitler's bunker in 1945, they talk only to themselves, reinforcing their own views."

This blunt language was produced, incredibly, at the expense of the Remington Arms Company, which has strongly supported the NRA's battle against gun control. The company secretly paid the Institute for the Future $50,000 to analyze the gun control issue, with the apparent purpose of detecting and repairing the flaws in the gun lobby's arguments.

But the Remington study developed into a ringing indictment of the present loose gun laws, concluding that strong measures are necessary to end the carnage from firearms. The study censures the NRA so harshly that the embarrassed corporate moguls asked the Institute to edit out the offensive passages.

The Institute officials, although they prize their independence, look to companies like Remington for their livelihood. Therefore, they have agreed, in effect, to censor their own confidential report. But unfortunately for Remington and the NRA, we have a copy of the uncensored draft.

One section makes a devastating case against the favorite argument of the guns interests that "only criminals use guns to kill." This view, states the report, "conveniently overlooks that fact that a gun is being used at home or in a bar as a means of settling an argument for the simple reason that it is handy. And instead of a black eye or even a severe injury, the result is often homicide."

The report cites federal studies, which contend that 70 percent of all killings involve acquaintances, neighbors, relatives and lovers—people "likely to have acted spontaneously in a moment of rage and not necessarily with a single determination to kill."

The clear conclusion is that fewer murders would occur in the United States if guns weren't so easy to procure. "Unlike everywhere else," the report declares, "guns are plentiful in the United States." On an average day, 30 Americans are gunned down.

Handguns, particularly cheap Saturday Night Specials, are the greatest menace. As many as 11,000 Americans, including about 100 policemen, have been killed by handguns in a year.

Comments the study: "In spite of their protestants on the right to bear arms, the majority of the organized sportsmen might privately agree, even if their organization does not, that a bearer of a Saturday Night Special has no sacred, constitutionally safeguarded right."

The NRA hasn't been the least deterred, meanwhile, from its efforts to kill gun control legislation. Here's what has been happening behind the scenes:

On Feb. 26, the House Judiciary Committee approved strong legislation that would have outlawed virtually all concealable guns. This brought the gun lobbyists swarming over Capitol Hill. They cornered congressmen in corridors, twisting arms and slapping backs.

The NRA also fired off a volley of telegrams to its members across the country, warning darkly that the legislation would outlaw all guns. The committee members immediately began hearing from irate gun enthusiasts back home. On March 2, the committee voted nervously to call the bill back.

Among those who switched their votes were Reps. George Danielson (D-Calif.), Walter Flowers (D-Ala.), Henry Hyde (R-Ill.), and Edward Pattison (D-N.Y.).

Danielson, Hyde and Pattison denied that the NRA blitz had caused them to withdraw their support of stringent gun controls. Flowers had always opposed gun controls and voted for it only as a parliamentary trick, a spokesman said.

Eventually, a weakened but effective gun control bill, aimed primarily at Saturday Night Specials, made it out of the committee. But the legislation must clear the House Rules Committee before it can be brought up on the House floor for a vote.

Our sources say at least six committee members intend to do their best to block it. They have been identified for us as Reps. Del Clawson (R-Calif.), Delbert Latta (R-Ohio), Trent Lott (R-Miss.), James Quillen (R-Tenn.), B. F. Sisk (D-Calif.) and John Young (D-Tex.). All six told us only that they would vote their consciences.

Meanwhile, the gun interests have hired a former big bun in the Nixon administration, Donald E. Santarelli, to act as a legislative consultant. As former head of the Law Enforcement Assistance Administration, he developed cordial relations on Capitol Hill and in the White House.

He has been spotted sauntering in and out of committee meetings and helping himself to the committee's private facilities. He also represented the gun interests at a White House meeting on Jan. 28. Yet he neglected to register as a lobbyist until March 3. (Santarelli was out of the country and couldn't be reached for comment.)

The NRA lobbyists have misrepresented the facts, incidentally, in their drive against gun control legislation. At one committee hearing, they quietly passed out photographs of guns, which they said would be banned by the bill. In reality, many of the rifles and shotguns in the pictures would be quite legal if the legislation should pass.

The NRA has also circulated an analysis among its members, erroneously claiming that the legislation would put two-thirds of the gun dealers out of business. The analysis also falsely states that the bill would authorize the Secretary of the Treasury to take away their guns.

Footnote: Leading the fight for responsible gun controls are Reps. Peter Rodino (D-N.J.), and John Conyers (D-Mich.), who have dared to stand up to the powerful gun lobby.

HONORING DR. THEODORE BIDDLE

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 21, 1976

Mr. MURTHA. Mr. Speaker, one of the major features of higher education in the last 20 years has been the development of branch campuses of major universities and the diversity and educational opportunity these learning centers have provided to millions of students.

Recently one of the pioneers of that development in Pennsylvania retired. Dr. Theodore W. Biddle served the University of Pittsburgh for 47 years, and was the developer of the University of

Pittsburgh at Johnstown. Dr. Biddle came to Johnstown in 1958 and was president of the Johnstown site until 1971. During that time the campus area was acquired, construction was developed, and the academic program was eventually expanded from 2 to 4 years.

After 1971 Dr. Biddle was president emeritus and continued to serve as UPJ director of development and alumni affairs.

Recently Dr. Biddle retired from the university. His presence will be missed by the academic community. Having served with him on many civic functions, however, I know he will continue to make an outstanding contribution to the Johnstown area.

I want to add my own congratulations for the tremendous job Dr. Theodore Biddle has done for education and for the Johnstown area.

THE DIVESTITURE BILL SHOULD BE DEFEATED

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 21, 1976

Mr. FRENZEL. Mr. Speaker, the attached editorial calling for the defeat of the bill to break up the oil companies appeared in the Sunday Minneapolis Tribune.

It details some thoughtful reasons why the bill should be defeated. The best, of course, is that no one has shown that significant benefits will result.

The editorial follows:

THE BILL TO BREAK UP OIL COMPANIES

A bill sent to the Senate floor last week by the Judiciary Committee would require the breakup of major American oil companies. The legislation's avowed purpose is to increase competition, thereby holding down price rises, strengthening the industry and making the company less reliant on petroleum imports. We think its effects would be more nearly the opposite.

The bill's sponsors assert that a small number of oil giants dominate the industry; that their integrated operations, from exploration to gasoline retailing, are monopolistic; that they are handmaidens of OPEC, the foreign oil cartel; that consumers pay the penalty in excessive oil-company profits. To cure these alleged abuses, the bill would require any company producing more than 1.4 percent of the nation's crude oil to be split into separate producing, pipeline, refining and marketing companies.

Critics are correct in calling the big oil companies giants. One reason for their size is the amount of capital involved; more than half a billion dollars to build a refinery, and sometimes three times that much to develop an oil field. Exxon is the largest American industrial firm; half the nation's 10 largest industrial firms are oil companies. But comparative data confirm the oil companies' contention that the industry is less concentrated than many others. For example, although the top eight account for half the country's oil and gas production, none has more than 11 percent. Yet the bill in effect charges a company exceeding 1.4 percent of national production with anticompetitive practice. Or consider refining, a more concentrated segment of the oil industry: The degree of concentration is about the average for all manufacturing.

Whether more smaller firms would bargain better with OPEC than would fewer larger ones is anybody's guess. Oil economist M. A. Adelman, though a long-time critic of the majors, thinks not. He contends that only excess production, leading to competition among exporters, will lower prices. Adelman also says that oil companies dealing with OPEC have profit margins "too narrow to allow any but trifling price cuts." Profits shot up quickly in 1974 because of the increase in inventory value caused by OPEC's quadrupling of prices. Before and since, petroleum profits have run close to the average of other industries.

The Senate bill might be worthwhile if its enactment were likely to promote healthier competition. But that would not be the likely result. If the 18 companies covered by the bill divested themselves of refining, there would be no increase in refining operations, only a reorganization. The same would be true of exploration, transportation and marketing. There would, however, be an increase in the number of corporations after a breakup—and in the number of headquarters offices and the like. Operating costs would probably rise. Limits on moving from one phase of the oil business into another would raise the paradoxical prospect of making the industry less competitive than it is now.

Some of these potentially adverse results are necessarily speculative. So are the benefits envisioned by the bill's proponents. But when seeking such fundamental change in a vital industry, proponents should demonstrate convincingly that the change is needed and that benefits will materialize. This they have not done. The divestiture bill should be defeated.

A HEARTWARMING TALE

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, June 21, 1976

Mr. ASHBROOK. Mr. Speaker, I never need to look far for examples of why I oppose so much of the silliness that is called congressional legislation. From civil rights bills to foreign aid, the stupidity of so much that emanates from these Chambers is championed by the apparent excesses of the agencies, the bureaus, the regulations, and the regulators that they speak for themselves. They are their own best detractors.

Grants to study sweating of teddy bears, grants to minority businessmen who stay in business long enough to collect their checks, equal opportunity regulations which require foolish divisions of the work force—the list could go on and on. I always laugh when liberals attack me for opposing these programs.

The Federal Energy Administration has been one of the more recent jokes in a long line of costly laughs. The Wall Street Journal today puts the whole matter in perspective by an erudite editorial which I hope all the Members will read:

A HEARTWARMING TALE

How nice of Sen. Jacob Javits of New York and Sen. James Allen of Alabama. In travels among their constituents, they came upon a hardworking black businessman who was having a little trouble making a go of his plans. They talked it over and decided he was a worthy fellow, and got their chums in the United States Senate to give him a helping hand.

The lucky man is Charles Wallace, 42, owner and operator of Wallace & Wallace Chemical & Oil Co., a New York City heating oil distributor. Mr. Wallace wants to build a refinery in Macon County, Ala., but has had a little trouble raising the necessary $300 million.

It should be easier now. At the behest of Mr. Wallace's senatorial godfathers, the Senate last week accepted an amendment to the Federal Energy Administration legislation that gives Mr. Wallace $1 million a month in government subsidies. The amendment cuts him in on the petroleum allocation program as if his refinery were already built and producing 10,000 barrels a day.

While Mr. Wallace does not have the $300 million, he does have an agreement with Venezuela for a supply of 10,000 barrels a day of high-cost crude. Refiners who refine high-cost crude are entitled to an "allocation" of domestic crude, which the government keeps priced at $5.25 a barrel. In practice, this means refiners who refine domestic crude make out a check to refiners who refine imported crude. The new amendment allows Mr. Wallace to import his 10,000 barrels a day, run them through a Mobil Oil Co. refinery, and collect his checks for the allocation.

How fortunate for Mr. Wallace that the federal government, for the good of the country, is fixing domestic oil prices and allocating petroleum. When the marketplace alone is doing this work, politicians can't indulge their compassionate natures so easily by instructing the bureaucracy to assist the needy. But once the government is involved in running an industry, all kinds of opportunities present themselves. While we know nothing about Mr. Wallace, we feel safe in assuming he is especially deserving; at least, that is usually the case with the first beneficiary of such largess.

According to The Washington Post, Senator Javits was said to have acted out of concern "that small enterprises without large reserves of cash or credit find it difficult to break into businesses like refining that require a lot of money."

Isn't this a heartwarming tale? If you hear of any other deserving, earnest entrepreneurs who would have a better chance of success if only someone would give them $1 million a month, send their names along to Senators Javits and Allen. Two nice guys.

ROGERS CITY HIGH SCHOOL MARCHES IN BICENTENNIAL PARADE

HON. JAMES G. O'HARA

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, June 21, 1976

Mr. O'HARA. Mr. Speaker, in many localities throughout the Nation, the celebration of the Bicentennial has led to the rebirth and rekindling of civic pride and community involvement. This description applies particularly well to the town of Posen, Mich., where the townspeople have united to raise $10,000 in order to send the Rogers City High School Band to Washington, D.C. They will represent Michigan in the Bicentennial parade on July 3.

Said Nancy Wenvel, a flag girl in the 108-member band:

The people's support is fabulous. The money is coming from behind us—from our parents and the town; without them, we couldn't have done it.

Together with practicing 5 nights a

week, the band instigated a variety of small projects, including bake sales and car washes, in order to raise the $10,000 needed for uniforms, hotel accommodations, and transportation expenses to Washington.

Under the direction of Musical Director Steven Bergmann, they will perform a musical medley from America '76, Finlandia, and Bill Bailey's ragtime music.

"We don't believe we're really going," continued Miss Wenvel. However, their long-awaited dream will turn into reality as the Rogers City High School Band departs for Washington on July 1.

This certainly is a remarkable achievement of the band, and a tribute to the townspeople as well. I am very proud of them and know that all the citizens of Michigan share this sentiment. I congratulate them on their success and wish them well.

TO SURVIVE REGULATIONS MUST BE CHANGED

HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, June 21, 1976

Mr. CARTER. Mr. Speaker, there are seven Christian colleges in the district I represent. It seems that regulations written in response to legislation passed by the Congress are causing serious difficulties and will adversely affect every one of these seven colleges.

Mr. Speaker, I am informed by the presidents of two of these colleges that if they comply with all the regulations proposed by the HEW and the Department of Labor, they will be forced in some cases to employ atheists or individuals whose moral standards run counter to the standards of these schools.

If these independent Christian colleges are to survive, then these regulations must be changed. Perhaps this is an example of where the Congress needs to exercise its oversight responsibility to see that departmental regulations reflect the intent of the Congress.

I insert in the RECORD the letter from Dr. Willis D. Weatherford of Berea College:

MEMORANDUM ON GOVERNMENT CONTROL OF PRIVATE HIGHER EDUCATION

Proposition No. 1: The formation of the minds of the coming generation is one of the most crucial tasks undertaken by our society. If our society is to remain free, the institutions which undertake this task must remain free. For the institution, freedom includes the freedom to be different, to be self-motivated, to be true to its own heritage, to be controlled from within and not from without. Freedom of individual institutions leads to diversity among institutions, whereas centralized control means uniformity, monotony, mediocrity, and ultimately the loss of freedom. Diversity and competition in producing automobiles may be desirable, but freedom and diversity of institutions in educating young minds is absolutely crucial to continuance of a democratic society.

Proposition No. 2: The freedom and diversity within higher education are dependent to considerable extent upon the freedom and diversity within the independent sector. The 750 independent colleges and universities, most of them liberal arts undergraduate institutions but a few of them, great private universities, have been the major contributors to diversity in higher eduction because they have been free of governmental control. They have been free to choose a special clientele and free to serve special purposes. Their freedom and their example have helped to maintain freedom even for those universities which are supported by the taxpayers. If the freedom of private institutions to control their own destiny is eroded by the federal government, then this example of freedom will be taken away from the public institutions and from our society. If diversity is fettered and prevented from growing, monotony and uniformity are the inevitable result.

Proposition No. 3: Over the past few years, the federal government has taken giant strides to fetter the freedom of private colleges and universities to control their own destinies. It has increasingly substituted the dead hand of regulation for independent motivation for service. It has stifled a missionary zeal to provide more than simply a technical education in those few institutions where that zeal still exists and is in the process of forcing these independent institutions to become routinized, legalized, and homogenized into educational factories, much like what has already happened in some large state universities.

The Congress is doing this largely from the very best of motives. For the most part, the objectives and ideals are good. But the means taken to achieve the end has contaminated the result. The basic objective has been equality of treatment of individual citizens, be they of racial minorities, of sex minorities, or of the handicapped and disabled. The righteousness of the goal has obscured the insidious character of the means chosen to attain the goal. The means of federal regulation and particularly the power to control the federal purse removes control from the local college on many crucial issues and transfers it to Washington. If the federal government makes a mistake in its regulation, all 3,000 colleges make the same mistake. There is not one that remains outside the net to give an example of an institution which took a better route. The nation is deprived of diversity, is deprived of individual initiative of going another direction. We are all forced to make the same mistake together.

Uniformity in education is in itself an evil, even when it is uniformity for a good purpose. It is good to have equal opportunity available to all citizens. It does not necessarily follow that every single institution in the country needs to provide equal opportunity to every kind and variety of persons. There is still an urgent need for special purpose institutions or institutions with special missions, but federal regulations are getting to the place where they make them impossible. Uniformity is bad even when it is uniformity for a good end.

American society has thrived on diversity. Our anti-trust laws have required competition in order to get equity, fairness, and diversity in business. The government is now inadvertently putting down that diversity and the initiative which generated it. And this is a tragedy for our society.

Proposition No. 4: No one in Washington understands how seriously the freedom of private colleges is being stifled by government regulation. Congress passed a five-line law on discrimination against the mentally and physically handicapped which has turned into a seven-page regulation. Congressmen and senators had no way of knowing or controlling the interpretation of their statute by the bureaucratic establishment. The regulations for different statutes are drawn up by persons in a variety of bureaus, and one does not know what the other is doing. This is apparent since regulations for one statute are at variance with and contradict regulations for another statute. No one in Washington understands the full impact. This is understood only by the institution at the grassroots that feels itself being regulated by a number of uncoordinated federal agencies and is in the process of losing its maneuverability and its freedom of decisionmaking.

No agency in the federal government has been assigned the task of assessing the impact of all the federal regulations on colleges and universities. These regulations emanate from dozens of bureaus under more than thirty laws, but no one agency has been asked to monitor the effect on the college being regulated. Congress has not made this assignment, and neither has the executive branch. Colleges and universities provide crucial public services, but no government agency is asking whether these important public services are being hurt, strangled, or priced out of operation. No agency knows or is assessing the overall impact of governmental regulation. This is a very serious oversight and should be remedied.

It behooves friends of education and boards of trustees to arouse the people of America, to arouse Congress, and to arouse the administration to the vast and harmful effects which are taking place. A single piece of legislation may be good in and of itself, but the collective effect of so many regulations coming so rapidly is to deprive institutions of freedom and ultimately deprive students of freedom of choice. Freedom of choice for the student is being lost, since all institutions are being forced into a single mold.

Proposition No. 5: It is the total pattern of a regulation which is debilitating rather than this or that particular objectionable regulation. In pointing out specific examples of legislation which is robbing independent colleges of their decision-making capacity, it should be understood that these are examples and a symptom of what is happening in our society. The loss of freedom comes not from a single objectionable regulation but from the all-pervading web of regulations. The following are simply some examples of what I believe to be unwarranted intrusions by federal government power by over-regulation of private higher education.

CIVIL RIGHTS

Item 1. The Civil Rights Act denies a non-church-related college the right to select its staff members for qualities of Christian character. If a college cannot employ its staff to represent the qualities of life it hopes to inculcate in its students, it has no capacity to carry out its purpose. The federal government by this act would regulate the purpose to which a private college can commit itself. This is an unwarranted intrusion into the life and purpose of the independent institution.

TITLE IX

Item 2. Title IX regulations require that pregnancy and abortion for students and staff members be treated as simple disabilities. This is true whether or not the pregnancy occurs within the state of marriage or outside of marriage. Here, the government tries to force a private institution to treat childbirth as a simple biological fact, devoid of moral implications and outside the context of the Christian family. It denies the institution the right to exercise its judgment in personnel matters of seeking and retaining staff members who exercise Christian virtues as role models for students.

Item 3. The regulations would deny the institution the right of asking the marital status of prospective employees. This denies the institution access to personal information which it deems relevant to achieving its purposes. This is merely one sort of personal information which the college needs in order to judge the applicant. There are many other types of information needed in addition to

simple evidence of the technical competence to teach the course which the faculty member may be asked to teach. This technical and narrow view of employment would force the college in the last analysis to become simply an educational factory and to drop its concern for character building and good citizenship, a process which has already been lost at many of our great educational factories and state universities.

Item 4. Men and women are different in interests and ability in athletics. To force even intramural teams to be bi-sexual in all cases may simply prevent many students from participating in them, and the small gain for equality would be greatly offset by a lesser intramural participation for the total student body. While this question is not one of moral import, it shows the unnecessary cost of a good idea of equity if that idea is taken to ridiculous extremes.

BUCKLEY AMENDMENT

Item 5. By denying the college a right to inform parents concerning the progress or difficulties encountered by a son or daughter, the law drives a wedge between students and their parents and between the parents and the college. Colleges generally wish to establish a close relationship with parents, but the federal law prevents it, thereby interfering with the educational objectives of the institution.

Item 6. By requiring current letters of recommendation to be open to the individual in question, the law has undermined the usefulness of any recommendation for any purpose. The baby has been thrown out with the bath.

DISCRIMINATION AGAINST THE MENTALLY AND PHYSICALLY HANDICAPPED

Item 7. Granted that it is probably good to educate the mentally and physically handicapped along with normal students in a natural setting, it is highly questionable as social policy to require all 3,000 colleges equally to do this for the small number of students involved. The social cost is tremendous, whereas the same end could be reached just as effectively by asking, say, three public colleges in each state to become so equipped. Here, the end involved is excellent; but the mechanism chosen to obtain the result is in error.

Item 8. The regulations are presently in draft form, but the implication is that probably colleges will be required not to discriminate against drug addicts or alcoholics. Then there is the possibility that they will be asked not to discriminate against homosexuals. All three of these requirements, if finally written into the regulations, would invade the right of the college to determine its own program and its own emphases. It would turn the college away from its educational task and and make it into a residence, a hospital, or a counseling center rather than an educational institution. It would be forced to abandon part of its moral purpose.

UNAVOIDABLY ABSENT

HON. MARTHA KEYS

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 21, 1976

Mrs. KEYS. Mr. Speaker, On Friday, June 18, 1976, I was unavoidably absent for three rollcall votes. Had I been present, I would have voted on matters coming before the House as follows:

Yea on Rollcall No. 410, an amendment offered by Ms. HOLTZMAN to H.R. 14239, the State, Justice, Commerce, and judiciary appropriations bill for 1977.

Nay on Rollcall No. 411, a motion to recommit the bill H.R. 14239, the State, Justice, Commerce, and judiciary appropriations bill for 1977.

Yea on Rollcall No. 412, final passage of H.R. 14239, the State, Justice, Commerce, and judiciary appropriations bill for 1977.

SHOULD UNCLE SAM TAKE THE REINS OF THE ECONOMY?

HON. MARVIN L. ESCH

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, June 21, 1976

Mr. ESCH. Mr. Speaker, the Moneysworth of March 29 published an interesting short debate on the pros and cons of centralized economic planning between Senator HUMPHREY, sponsor of the Humphrey-Hawkins measure, and Mr. Thomas Murphy, Chairman of the Board of General Motors Corp. The distinguished Senator from Minnesota summarizes all the good things which he believes and assumes national central planning of the economy could achieve. The chairman of General Motors counters with the problems of regulation and centralized planning, our past experience with it, and the economic advantages of the free market. Both views are succinctly and competently stated, and I would urge all Members to take a close look at this dialog. It is herewith inserted in the RECORD for that purpose:

SHOULD UNCLE SAM TAKE THE REINS OF THE ECONOMY?

(By Senator HUBERT H. HUMPHREY)

Sensible planning has become a necessity of modern life. It is simply unthinkable for a government with budgets approaching $400-billion to act without a better system of coordination between public and private resources.

And yet, unfortunately, the U.S. government has become the last bastion of unplanned activity in the modern world.

At present there are more than 50 federal offices that collect and analyze economic data. Because no single office is responsible, the data collected is often contradictory.

The Balanced Growth and Economic Planning Act of 1975 is designed to reform fundamentally the government's management of its own economic policies.

The bill provides the means to formulate, systematically and comprehensively, long-term national economic goals with existing resources. It would create an economic planning board in the President's office to coordinate and analyze economic data and trends.

Congress would be empowered to review the plan submitted, and to approve or disapprove or modify it in whole or in part.

The plan would be designed to contribute to our most pressing national goals: full employment, price stability, balanced economic growth, a more equitable distribution of income, efficient utilization of private and public resources, balanced urban and regional development and stable international relations.

In the agricultural sector, for example, we could quit setting production objectives without consideration for transportation, fertilizer and energy requirements. We could quite regulating prices without apparent concern for energy needs or their impact on employment.

In the industrial sector, we could begin to understand and then to relieve the chaos brought about by the energy crisis, commodity shortages, supply bottlenecks and structural barriers in our economy. We could reconcile our concern about the environment with the legitimate needs of business.

Comprehensive national planning can give us the set of guidelines we need. It is a situation Abraham Lincoln once described: "If we could first know where we are and whither we are tending, we could then better judge what to do and how to do it."

CON

(By Thomas A. Murphy)

The balanced Growth and Economic Planning Act of 1975 is a serious threat to the continued dynamic development of our national economy.

Moreover, at any given time the plan would accord with the broad views of only a part of the population and with the particular views of none except the few planners.

A good case can be made for the proposition that some of the nation's most intractable problems in the sectors specified in the bill have already been magnified by government intervention. The serious condition of our railroads, a consequence in no small part of inflexible regulation over an extended period of time, is a tragic and classic case in point. The system has been "planned" for almost 90 years. Instead of permitting railroads to expand or contract and tariffs to rise or fall in response to market forces, the planners have imposed their own superseding views.

It is to my mind inescapable that the national planning process—however we may conceive it—would add an element of rigidity to the economy at the very time when flexibility and speed of response are more important than ever.

Fortunately, American consumers still exercise a remarkable freedom of choice in a market economy and our history shows clearly that this system does work. Levels of material well-being have doubled every generation. Employment has increased by a good deal more than 10% in every decade of the postwar period. The range of product choice available to us is truly extraordinary. Our profit-and-loss system accounts for the unending stream of new products and services seeking customer favor.

These benefits do not accrue from centralized planning but as a normal response to the market and the incentives of private enterprise.

It is untrue that a market economy is unstable—incapable of satisfactory economic performance without government planning. The evidence is clear that the true situation is exactly the reverse.

Whether we look at the Great Depression—when the money supply was permitted to decline by about 30%—the acceleration of inflation after the strictures of wartime measures were removed in 1945, or the 1974–75 recession, the root causes are to be found in public policies.

PERSONAL EXPLANATION BY REPRESENTATIVE PIERRE S. DU PONT: MISSED VOTE

HON. PIERRE S. (PETE) du PONT

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Monday, June 21, 1976

Mr. DU PONT. Mr. Speaker, on Friday afternoon, June 18, I left Washington

to attend the Delaware Republican Convention and missed several recorded votes in the House. Had I been present, I would have voted in the following manner:

Rollcall No. 408—"aye."
Rollcall No. 410—"aye."
Rollcall No. 411—"aye."
Rollcall No. 412—"aye."

TO ASSURE FULL EMPLOYMENT REALLY

HON. RICHARD BOLLING

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, June 21, 1976

Mr. BOLLING. Mr. Speaker, the following article, "To Assure Full Employment Really," by John H. G. Pierson makes an important contribution to the current discussion of how best to achieve full employment with stable prices. His proposed system of economic performance insurance is designed to hold employment and consumer spending between preset, guaranteed lower and upper limits. Explained below, the proposal is well worth the consideration of all interested in this most important national problem. Mr. Pierson has served in the Labor Department and United Nations and has written extensively on this and related subjects. Some of his publications are listed below:

"Full Employment," 1941, Yale.

"Employment After the War," 1943, Department of Labor.

"Fiscal Policy for Full Employment," 1945, National Planning Association.

"Full Employment and Free Enterprise," 1947, Public Affairs Press.

"Insuring Full Employment," 1964, Viking Press.

"Essays on Full Employment," 1972, Scarecrow Press.

The article follows:

TO ASSURE FULL EMPLOYMENT REALLY

(By John H. G. Pierson)

GREENWICH, CONN.—The Classical economists wouldn't have approved of the Hawkins-Humphrey full-employment bill, since the economy in their view tended toward full employment automatically. When one industry lost its markets and declined, others would gain markets and expand. Keynes later explained why this wasn't necessarily so, but he didn't find a good remedy.

In the American system of production for market it would seem likely *a priori* that the remedy would largely consist of finding an acceptable way to sustain the overall market (total dollar value of demand for goods and services; GNP expenditures). Solve it, in other words, by maintaining deliberately the principal condition that the Classical School wrongly supposed would maintain itself automatically.

Expectations would be enormously helpful. Assuming the market can be maintained, we could guarantee to maintain it. Then business and labor and consumers would know that no recessions or runaway booms lay ahead, and their confidence in tomorrow would make them act in ways facilitating full-employment maintenance today.

This in essence would be Economic Performance Insurance. This proposed system would hold employment and also consumer spending (explanation below) between preset, guaranteed lower and upper limits. The government would adjust disposable income up or down whenever the income flow under full employment failed to bring the promised consumer spending, and would adjust employment up or down whenever the production-inducement effect from that spending needed reinforcement or counteraction.

This concept raises three important questions in principle and three more on practical application. All are answerable. First of all, does such emphasis on the demand side make sense today, when demand so often has its effect blunted by monopolistic restrictions on the side of supply? Yes, it does, because policies to maintain demand aren't supposed to be a complete solution. To assure full employment by such means alone would burden the taxpayer too much. Antitrust policies in the wide sense must provide support—enforcement of competition wherever it can exist and curbs on restrictions wherever monopoly is inevitable.

But is there any consensus for closing all gaps with extra government demand? The answer is that this misconceives the proposal. There's always some level of Federal Government spending for goods and services that sentiment in Congress will support. Adding that estimated amount to expected State and local government spending, private domestic investment, and net exports, and subtracting that sum from the GNP thought to be needed for full employment at anticipated prices, gives the "necessary" (operationally speaking) consumer spending. This last is what is proposed to be guaranteed, besides employment. Only when extra employment was still needed would the government as last-resort employer increase its market demand marginally. It would also sometimes have to act to raise consumer demand, to honor that second promise. But sometimes too it would have to reduce its market demand, or take more from (give less to) consumers.

That leaves one basic question—inflation. However, the supposed "trade-off" between unemployment and inflation (Phillips curve) is dangerously oversimplified, as many writers have shown, and it's almost totally irrelevant here. First, consumer spending and employment would both be under ceilings as well as over floors; hence no runaway spiral. Second, the cost of living being thus held down, labor needn't press the same wage demands. Third, full employment always permits considerable price moderation by spreading the overhead costs, and continuously guaranteed full employment would go farther and make it unnecessary besides for large monopolistic organizations to amass financial cushions against a future recession.

What counts, of course, is not that moderation could be practiced but whether it would be. My own view here is that big business and big labor would by and large cooperate voluntarily to hold prices down once government on its part was ready to assure the demand. But that's an opinion, not a certainty, so that direct controls over some prices and some wages—Galbraith's proposal—may possibly be needed, even under guaranteed full employment.

Bear in mind that Economic Performance Insurance as such is concerned with assuring that last-resort balancing measures will be used as required. Clearly we also want first-resort measures capable of keeping the need for those final adjustments reasonably small. Strong antitrust action, as already said; tax reform for a better distribution of purchasing power; encouragement of initiative and innovation (along ecologically sound lines); other measures.

Now for the practical application. (1) Is it possible to legislate such a system? Clearly it is. The procedures already in force under the Employment Act of 1946 can be strengthened so that the President each year proposes the targets and standby adjustment methods for employment and consumer spending, and Congress makes final decisions on those targets and methods, and the President executes those decisions.

(2) How can the government control the level of consumer spending, which depends on individuals' decisions about whether to spend or save their income? Practically speaking, it can do so through income-tax adjustments, with a negative-income-tax feature incorporated to include low-income groups. Or it could institute a two-way tax-or-bonus scheme at consumer sales points (described by me elsewhere but too much to explain here), which would be totally effective when restraining consumer spending and virtually so when raising it.

(3) Can the government really accelerate and/or decelerate public services and works whenever the statistics show that find adjustment is required at the job total end? Yes, this is feasible, in spite of our poor record with half-hearted efforts to date. But there's no escaping, here, a major new undertaking. A permanent "reservoir" or "reserve shelf" of such jobs has to be built up and kept up nationwide, and unprecedented arrangements have to be developed for its speedy activation for either expansion or contraction.

The Hawkins-Humphrey bill in its successive versions seems to be almost coming to embody an Economic Performance Insurance system. (The latest draft—Full Employment and Balanced Growth Act, H.R. 50 and S. 50—continues also to stress planning.) Major improvements include the abandonment of an unworkable earlier definition of full employment and the addition of rules designed to assure timely and budget-connected Congressional action on the President's annual economic recommendations. In my view, however, the current bill still suffers from fiscal policy ideas only incompletely assimilated to an insurance approach—the language is full of references to cyclical downturns, recessions, periods of high unemployment—and suffers, in addition, from giving too little responsibility to Congress. It could be simpler and stronger.

MEDICAL PROFESSION IN NEED OF REFORM

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 21, 1976

Mr. RANGEL. Mr. Speaker, there is a growing cynicism within the general public for the medical profession. Many people believe that doctors are concerned only with their fees and do not pay as close attention to rendering quality services as they should. Articles such as the one below tend to increase and legitimatize these feelings.

I believe that it is necessary for the medical profession to take a very careful look at itself. Perhaps what is needed is a redefinition of what a doctor should be, along with internal machinery designed to help the medical profession discipline those doctors who fail to measure up to these standards. Situations like that described below are occurring with increasing frequency and, therefore, this reevaluation is needed now to prevent these occurrences from becoming accepted behavior.

For my colleagues review, I would like to place in the RECORD at this point an article which appeared in the New York

Times of April 15, 1976. This article clearly highlights the need for the medical profession to take some prompt remedial action in the area of doctor ethics. The article follows:

[From the New York Times, Apr. 15, 1976]

JURY FINES DOCTOR FOR PULLING STITCHES OVER AN UNPAID BILL

MARION, ALA., April 14.—An all-white jury has awarded damages of $20 in a $50,000 suit filed on behalf of a black youth who contended that a doctor after stitching a cut in his arm, took out the sutures immediately when the boy's full bill could not be paid on the spot.

The verdict was returned in Perry County Court in the case of Melvin Armstrong, 13 years old, of Uniontown. The youth's father, Robert Armstrong, a farm laborer with 12 children, filed suit against Dr. Bobby Merkle, charging assault and battery. Dr. Merkle was ordered to pay the $20.

Uniontown's police chief, Robert Hester, testified that Dr. Merkle had told him that he needed the money immediately and that he had indeed removed the stitches.

The boy's mother said Dr. Merkle had called her at home and said he had fixed the cut and needed immediate payment of his $25 bill. Mrs. Armstrong said she had $20 and was on her way to the doctor's office when she met her son with the stitches removed.

Friends took the boy to Greensboro, where a doctor stitched the arm and gave the youth a tetanus shot. The second doctor's bill was $20.

The youth injured his arm in early July as he and friends were trying to kill a goat.

A.T. & T. FIGHTS TO KEEP ITS MONOPOLY

HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, June 21, 1976

Mr. SEIBERLING. Mr. Speaker, no monopoly ever voluntarily relinquished its privileged position. Therefore, it should come as no surprise that the Nation's largest monopoly, American Telephone & Telegraph Co., has launched an intense lobbying campaign to stop the expansion of competition in the telecommunications industry.

The origins of the monopolistic position granted to telephone companies lie in the desirability, indeed the economic necessity, of avoiding duplicate telephone services, with duplicate transmission wires and the like. However, A.T. & T. long ago expanded its monopolistic position to include the manufacture of telephone equipment and the provision of special telephone-related services. Antitrust decisions eventually made some inroads into A.T. & T.'s expanded monopoly, and the advent of microwave transmission made possible the provision of special long-distance communications by competing companies. Naturally, A.T. & T. would like to return to its former protected position, and has mounted an intensive lobbying campaign with that goal in mind.

A.T. & T.'s principal argument is that competition will bring, not lower, but higher prices for telephone service, particularly for residential users. This line of argument is a familiar one whenever efforts are made to introduce competition into a monopolistic situation. Experience teaches that the burden of proof should be on the monopolists and not on these favoring competition.

Ever since the passage of the Sherman Act of 1890, the rule in our industrial system has been competition. Monopoly has been permitted only as an exception to the rule, and only where a clear case of necessity has been made. The fruits of our rule of competition have been the most productive economy with the greatest benefits to consumers of any nation in the world. Enforcement of the rule of competition is the best guarantee against socialism. Those who would depart from the rule bear a heavy burden indeed.

I am offering for the RECORD following these remarks an article from the New York Times of June 14, 1976, detailing A.T. & T.'s aggressive lobbying campaign against competition in the telecommunications industry. The article follows these remarks.

A.T. & T. IS BATTLING IDEA OF COMPETITION—TELLS CONGRESS EROSION OF MONOPOLY MAY RESULT IN HIGHER HOME PHONE BILLS

(By Reginald Stuart)

The nation's established telephone industry, led by the powerful American Telephone and Telegraph Company, has launched an intense campaign to stop the expansion of competition in the telecommunications industry.

The industry effort, now aimed at Congress, could have a significant impact on moves by the Federal Communications Commission to allow more than one company to offer the public long-distance services and a choice of telephone equipment. The F.C.C.'s aggressive efforts in the last eight years have created considerable controversy at the state and Federal levels on the issue of competition.

In speeches, court battles and legislative actions, the "common carrier" industry, as the established phone companies are called, communications is called, is arguing that the F.C.C.'s promotion of competition in this traditionally monopolistic industry will cause it to suffer millions in revenue losses, that must be made up for by substantially raising home telephone bills.

"Where we once had a coherent national communications policy, the one established by Congress, we now have an inconsistent nightmare created by patchwork decisions of a Federal agency, the F.C.C.," said William M. Ellinghaus, vice chairman of American Telephone, parent of the Bell Telephone System.

Nonsense, says William G. McGowan, chairman of the MCI Communications Corporation, one of the new entrants into the communications field and the top competitor for A.T. & T.'s long-distance business. "They're working on that little dinosaur theory—that if we keep getting fed we'll be as big as they are," he said.

Mr. McGowan is also chairman of the recently formed Ad Hoc Committee for Competition in Telephone Communications, a group of competitors opposing the established industry's campaign.

There are two targets of the "common carrier" campaign against competition:

The so-called "interconnect" companies, who manufacture and sell terminal equipment such as telephones, switchboards and data transmission equipment in competition with A.T. & T. and the nearly 1,500 independent companies that rent or lease most of their equipment to customers. Last year, the "interconnect" industry grossed less than $500 million, according to industry estimates.

The "specialized common carriers," such as MCI, which are authorized by the commission to offer primarily big business and Government telephone customers special long-distance services by microwave or satellite that are usually 15 percent to 30 percent cheaper than the rate of A.T.&T., the principal supplier of long-distance service in the United States. In 1975 "specialized common carriers" grossed about $50 million on long-distance services, compared with $1.2 billion for A.T.&T. in the area involved in competition.

The long-established companies argue that it is the equipment business and long-distance service to big business and the Government that subsidizes the home telephone bill, keeping it low. They contend that, since these are the only forms of business the competitors want, any significant loss of revenues in these areas would result in the rank-and-file customer's paying the freight.

Furthermore, they argue that the F.C.C. majority's view that each service should pay for itself would eliminate the industry's opportunity to spread the cost of service to all.

A.T.&.T. has contended that, if it were required to reprice services so that they were more closely related to the cost of providing them, the average phone bill of $7.85 a month would have to be raised to $13.70 a month.

Armed with this argument, which has been rejected by a variety of parties including the commission, the telephone industry has flooded Washington with its anticompetition campaign.

But the criticism of the opponents of competition continues. Last week the White House Office of Telecommunications, which in 1968 sanctioned the move away from regulated monopoly in the industry toward competition labeled A.T.&T.'s efforts to get Congress to adopt the anticompetition legislation "sheer folly."

In the last six months, each of the 535 members of Congress has received personal visits from a chief executive officer of at least one of the Bell System's 23 operating subsidiaries. The message is that competition would cause economic harm to the industry and result in a rise in home phone bills.

Representatives of rural telephone cooperatives and small independent companies have also made visits with similar pocketbook messages.

The American Farm Bureau, the Communications Workers of America and the National Association of State Utility Regulatory Commissioners have also urged Congress to act swiftly on re-examining the F.C.C. actions and the long-term implications.

The Congressional response so far has been the filing of two bills in the Senate with 12 supporters and 93 bills in the House with more than 125 supporters. Most of the measures have bipartisan support, mostly from rural parts of the nation. All versions of the bill are known as the Consumer Communications Reform Act of 1976, although they vary to some extent in scope.

Representative Lionel Van Deerlin, Democrat of California and chairman of the House subcommittee on communications, said his committee had scheduled hearings on the industry-written bills for late September but cautioned during a recent telephone interview that the hearings would be "purely exploratory."

The Senate, although not likely to act on the bills until next year, is expected to ask the F.C.C. to place a moratorium on further actions involving competition until after it can hold hearings next year.

While the numerous anticompetition bills vary somewhat, they would, if enacted, achieve objectives for the industry that could have the effect of eliminating competion, ac-

cording to Congressional aides familiar with the lobbying efforts.

One aspect would strip the F.C.C. of the power it has gained through its own and Federal court rulings to regulate the terminal-equipment market. That jurisdiction would revert to state utility regulatory commissions. Most of these agencies have already voiced strong opposition to competition in this field.

Another aspect would give the F.C.C. the power to grant antitrust immunity for established carriers that acquire specialized carriers.

Other portions of most of the bills would virtually abolish the commission's authority to sanction specialized common carriers and to prevent A.T.&T. from charging rates that are as low as its competitors'. The bills would also put Congress on record as declaring that duplication of existing common carrier services is adverse to the industry.

A.T.&T. officials deny that the legislation would make their company immune to antitrust actions, but other persons argue that this possibility will certainly be discussed once a public airing of positions begins.

A NEW TRADITION IN UTAH

HON. GUNN McKAY

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Monday, June 21, 1976

Mr. McKAY. Mr. Speaker, Utah contributes to the arts in a most unusual way each year with its Pageant of the Arts. Human models recreate paintings and sculptures with striking results. The fourth Utah Pageant of the Arts opened last Friday with 26 performances this season due to its increased popularity.

This year's Bicentennial production features American artists and sculptors. Thanks to the work of 300 professionals and volunteers, American Fork, Utah, where the pageant is held can once again take pride in its cultural achievements.

Betty G. Spencer, who writes the script each year for the pageant, describes the pageant in the June issue of Mountainwest:

A NEW TRADITION ON UTAH'S CULTURAL SCENE

Cast members of Utah Pageant of the Arts learn no lines, makes no dramatic exit or entrances. Where other performers are asked to "put more action into it," the pageant directors demand cast members "don't do anything, just stand there."

This new kind of "theater" was introduced to Utah in June, 1973, with the appearance of the Utah Pageant of the Arts in American Fork. The event has steadily grown in popularity from the four fledging performances, doubling to eight nights in 1974 and more than doubling to 19 performances last season.

The 1976 Bicentennial production will feature an all American artist and sculpture show and includes a striking balance of paintings, sculpture pieces and miniature art works. Human models bring the works of art to life.

A growing Utah audience is enthusiastic about the pageant performance. A culmination of many facets of the performing and graphic arts, the pageant presents a new combination of art, makeup, staging, lighting, narration, costuming and music.

Public support has encouraged the backers, The American Fork Cultural Development Committee and American Fork City, to extend the run to 30 performances in 1976, beginning with opening night on June 11 and continuing nightly except Sunday through July 10. Matinee performances are also planned on a limited basis.

The pageant might be compared to the French "tableau vivant," or a living picture in which the audience sees a picturesque representation by one or more silent and motionless performers suitably costumed and posed.

The Utah Pageant of the Arts is more than a tableau, however, adding the sophistication of technically correct background paintings on mobile sets. Muslin costumes, believable props, dramatic lighting which creates a flat effect for paintings and realistic sculpture re-creations are impressive. The entire production is professionally tied together by narration and music in a strikingly paced performance.

Casting for the Utah Pageant of the Arts begins in a unique casting booth, so designed that the prospective cast member is photographed to show height, body proportions and bone structure, both in frontal and profile view. Photographs are mounted on cast cards, including information about the prospective cast member. The cast cards are then used to match the volunteer cast member against the original art work to be recreated.

More than 440 persons came to the three cast nights held last November, hoping to be chosen for one of the 160 cast slots required for the double-cast 1976 show.

Selecting cast members is difficult, according to casting director Tamara Allman. Working with pageant directors Bill Kirkpatrick and David O. Brockbank, Mrs. Allman compares all casting cards of volunteers of a particular height or size required by each painting or sculpture piece, then matches photographs of the prospective cast member with the original work, until a likeness is found.

"We selected members of the cast, not on who the cast member was, but on their size and proportions and their likeness to the original," said Mr. Kirkpatrick.

"We did our best to include those who had not been in the pageant before, too," commented Mr. Brockbank.

The residents of American Fork have been strong supporters of cultural and creative entertainment since the first settlers gathered to hear recitations and songs and indulge in a little old-fashioned dancing to the tune of the fiddler. Tradition puts "culture" as one of the needs of these early inhabitants, who it is said, conducted activities defined as "cultural" even as the chinking in the log cabins was still drying in the new settlement of Lake City. Later known as American Fork, the few cabins marked the beginning of this progressive village nestled on the north shore of Utah Lake.

Cultural tastes were more sophisticated by 1876. The completion of Bate Hall marked a milestone for hometown theatrical productions and visiting theater groups. The growing community supported the construction of the commodious Young Men's Hall in the 1880's, with residents investing $10 per share to provide a suitable setting for drama, dance and other community cultural events.

The innovative Pageant of the Arts proved that American Fork is still a center of cultural pride and progress. Today's investment is time and talent. Work on the pageant is year-round. The directors have been working for many months three evenings a week and all day Saturdays on set construction, technical details and the supervision of a small staff of volunteers and craftsmen who contribute to the production.

The pageant is billed as "an exciting new tradition on Utah's Cultural Scene." Both traditional and modern art styles are represented in the production.

More than 300 professionals and volunteers work together to make the Utah Pageant of the Arts a success, proving that people still want to get involved to make good things happen.

Who is needed? Stage hands to put the right set, carrying the right people, in the right costume, in the right place at the right moment. Light crews to contribute to the magic moment when narration, music, lighting and the art piece give the audience the impact of sharing a special experience of recreating a miniature, a painting or one of the sculpture masterpieces of the world of art.

The ability of the volunteer to produce needed skills has been dramatic. Volunteers have assisted with background painting, set construction, making props, designing sculpture bases, sewing the unique muslin costumes, creating headpieces and constructing massive wheeled bases. Other volunteers assignments range from preparing mailing pieces, selling tickets, ushering, or running errands, to manning the complicated light board on the American Fork High School stage loft.

Kirkpatrick, one of Utah's best known young portrait artists, scales the background sets from prints of original masterpieces or contemporary art selections. Life-size scale may dictate use of a small figured adult or teen, in some instances. In other paintings, adults are cast in full scale settings. Both techniques produce dramatic affect.

One of the most difficult pieces to produce demand the combined artistic talents of the directors. Ministering Angel, by Lucette Cartwright, was the show "opener" in 1974 and was repeated by popular demand last season. The audience saw only the two figures as the lights came up on the scene and the overture blended with the haunting background music. "Angel" depicts the angel of death raising up the body of a young girl. Both figures are suspended on the set, with the young man cast as the angel hanging from a foot hold and supported with his body weight on cupped metal flanges not visible to the audience.

The figures, supported by a frame so designed that it was covered by the cast members, appeared to be suspended in mid-air, the marbelized base extended the two figures to a height of more than 13 feet.

"Nessus and Deianira" opened the show last season. It also presented a special challenge. The male cast member appeared on stage, kneeling inside the centaur base, supporting the young lady who portrayed Deianira. A pleated velvet platform slowly turned full circle while the music and narration reached a peak of excitement, lifting the audience to the thrill of the new kind of theater.

The collection of Hummell figures will be repeated next season. No nudes have been shown in the Pageant, with special liquid makeup used on every part of the cast member that is seen by the audience. Perhaps only one hand, part of a face, or the body over a bathing suit base. Max Factor makes the special formulas required.

The muslin scupture has been developed into a new art skill. Most costumes are not complete, as would be the case in ordinary theater. Only the part of the costume seen by the audience is constructed, stiffened with scenery paint and shaded to give the appearance of folds or wrinkles as required.

Each scene is set by narration, with the research an added adventure, and the completed script is combined with appropriate music.

The script has been written each year by American Fork author Betty G. Spencer. Aaron C. Card, of Pleasant Grove, has provided live narration for the past two seasons and will again be the "voice" of the pageant this year.

The 1976 selection will be "All American" in keeping with the Bicentennial theme. Artists and sculptors whose works will be recreated will include Arnold Friburg, John Singer Sargent, Whistler, Cyrus Dallin, and a host of American artists whose work will meet the challenge of the Utah Pageant of the Arts, which is to entertain, instruct and inspire.

William M. Pierce is chairman of the pageant. C. Richard Devey is vice-chairman. Other committee members include Mr. Kirkpatrick, Mr. Brockbank, Mrs. Spencer, who also heads the public relations committee, Ora H. Chipman, Clarance A. Grant, Councilman Donald L. Fox, Claudia Monson, June S. Chipman, Roger Jeffs and Margaret Hansen. Pamela Durrant is pageant secretary.

A professional art exhibit, chaired by Mrs. Monson and cosponsored this year by a $1,000 grant from the Utah Division of Fine Arts, National Endowment of the Arts, is part of the pageant. It will feature a special exhibit of the finest art work of the students of Alpine School District, a framed collection of prints by Intermountain Art, as well as sculpture and art by Utah professionals.

The pageant was the dream of Neal Savage, an American Fork resident, who formed the American Fork Cultural Development and chaired the Pageant committee for the first two years.

The pageant has the full support and cooperation of the Laguna Beach Pageant of the Masters, with the Utah production adding their distinctive dimension to the Pageant of the Arts.

Utah Pageant of the Arts? Appreciative audiences have given it the title, "an exciting new addition to Utah's Cultural scene!"

CONGRESS ON TRIAL

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 21, 1976

Mr. ARCHER. Mr. Speaker, certain activities of the Members of the House and certain practices and procedures of this body have received much attention and critical comment in the media. It is essential that the Members of the House take the lead now to bring reform.

I would call to the attention of my colleagues an editorial which appeared in the June 14, 1975, edition of the Chicago Tribune. It takes a very sobering look at the House of Representatives and challenges us to bring about necessary reform.

The article follows:

CONGRESS ON TRIAL

The following news stories have an element in common:

Rep. Wayne L. Hays [D., Ohio], center of a congressional sex scandal, was rushed to a hospital in a coma Friday after taking an overdose of sleeping capsules. It is not certain at this writing whether Mr. Hays was attempting suicide or merely overdoing medication for illness and emotional stress.

Colleen Gardner, a 30-year-old divorcee who recently resigned from the staff of Rep. John Young [D., Tex.], gave newsmen a story remarkably similar to Elizabeth Ray's statements concerning Mr. Hays. She said she had had frequent sexual relations with Mr. Young, and that her $26,000-a-year salary reflected her after-hours services more than her official duties. Mr. Young has denied her story.

The House Thursday voted 400 to 0 to speed an inquiry by its ethics committee into charges that Miss Ray was kept on the public payroll at $14,000 a year solely to be Mr. Hays' mistress. Previously, this committee had undertaken only one other investigation in its nine-year history—its current hearings involving Rep. Robert Sikes [D., Fla.], which took nearly 11 months to start.

House Republican leader John J. Rhodes of Arizona attacked Speaker Carl Albert for his handling of the Hays scandal. He said Mr. Albert's appointment of three Democrats to investigate payrolls and expense vouchers would satisfy no one, and demanded a "complete, thorough, and bipartisan" inquiry. Democrats seem to prevail among the alleged wrongdoers.

The common element in these stories, we believe, is a deepening mistrust of Congress—doubts of its ability to do its job which seem to be shared by its own members. The loss of confidence is approaching the proportions of Watergate. Congress, in fact, is on trial. Its actions in the Hays case will help determine the verdict, but it will take more than a few hasty investigations to get if off the hook.

The doubts go far beyond a few possible indiscretions with non-typing secretaries. As Sen. William Roth (R., Del.) has observed, this is only the latest in a series of scandals—involving illegal payments from corporations, bribes from foreign governments, falsified travel vouchers, and so on—that have shattered public confidence in Congress.

Even the Hays scandal reflects something more disturbing than immorality (which is not startlingly new in Washington). It implies that some members of Congress regard prepaid sex as one of the privileges of office; that willing women employees may have a status something like office equipment, to be budgeted along with paper clips and typewriter ribbon. And it brings up some unsettling questions: How does this view affect national legislation dealing with women's rights, or rights in general? Can a legislator who spends our money in this way be trusted to spend it wisely in other ways?

Congress has been taking care of itself much too generously and too long, with inflation-proof automatic pay raises, mushrooming staffs and facilities, and cut-rate services ranging from medical treatment to manicures. The picture of a self-indulgent aristocracy that takes care of itself first and the people second is becoming too clear for comfort.

It is ironic that all this dirty linen has spilled into view during a "reform" Congress—one full of earnest first-termers who came to Washington vowing to make Capitol Hill more responsive to the will of the people.

They and all their colleagues had better start proving they meant it if they want to preserve Congress' authority. The evidence required will include an expanded and energized ethics committee, capable of taking action on scandals before they explode in its face. It will mean a self-enforced halt to the costly favors Congress keeps doing for itself, and an end to the cycle of bigger staffs, new quarters to house them, and still bigger staffs to man the new offices. It will take a well-publicized and effective campaign by the next speaker to convince his colleagues that the party is over.

In short it will take a lot more than a show of outraged virtue—though a show of virtue wouldn't hurt, for starters.

UPPER POTOMAC ESTUARY PILOT DRINKING WATER TREATMENT PLANT—H.R. 14236

HON. GILBERT GUDE

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, June 21, 1976

Mr. GUDE. Mr. Speaker, I would like to point out the importance of the timely funding of the Potomac Estuary Pilot Treatment Plant authorized in H.R. 14236. The $1 million appropriation will be money wisely spent. Authorized under the Water Resources Development Act of 1974, the pilot plant will enable the Corps of Engineers to determine the feasibility of using the upper Potomac estuary as a water supply source for the Washington metropolitan area. The project is absolutely vital to this region, and should be initiated regardless of the Office of Management and Budget's desire for "no new projects" this year.

I wish to emphasize the testimony of Brig. Gen. Robert S. McGarry, U.S. Army Corps of Engineers, before the District of Columbia Subcommittee on the Bicentennial, the Environment, and the International Community, on June 2, 1976:

To me, this is probably the single most important project to eventually resolve the D.C. water supply. Every study we have made, when we finish, the question has been asked, why not use the estuary? It seems to be environmentally acceptable and a cost effective way to supply water.

Until we have this plant to verify it is an acceptable, safe solution, I don't believe we will ever end this apparently endless cycle of studies. . . . This is the most important project to eventually resolve the problem in my opinion.

I agree wholeheartedly with the comments of General McGarry. When I appeared before the House Appropriations Subcommittee on Public Works on April 1, 1976, I spoke on behalf of the pilot treatment plant. I pointed out that the water supply needs of the Washington area are reaching crisis proportions. The supply situation for Metropolitan Washington can be briefly stated. Using per capita demand figures of approximately 145 gallons per day, and population projections provided by the Washington Council of Governments, the Corps of Engineers has predicted one day deficits of water in both July and August of 1980. By the year 2000, large deficits are predicted for various lengths of time in the months of July through November and month long deficits are predicted for August, September, and October. Although some consider these deficit projections on the high side, all agree that more water will be needed.

Any competent planning for Washington's water supply must determine the feasibility of the estuary source. Without a definitive answer one way or the other, opponents of other supply alternatives such as upstream impoundments and ground water wells, will continue to retard the water supply planning process. The result will be continued delay in developing a politically acceptable regional supply plan. I submit that such delay has already lasted too long and cannot continue in view of the predicted deficits Washington will soon experience.

In addition to being indispensable to Washington's water supply planning efforts, the pilot plant has important national significance as it will provide further data on the feasibility of using estuarine water sources in other parts of the country where supply deficits loom. Applications of findings made at the estuary field plant could mean millions of dollars saved by the avoidance of costly impoundment construction.

Authorization of the pilot plant represented a commitment by the Congress in

1974 to seek innovative solutions to metropolitan water supply problems. We need answers too badly to allow a shortsighted policy of "no new construction starts" to delay the pilot plant. The Metropolitan Washington Council of Governments supports the treatment plant and urges its immediate construction. So does the Maryland delegation, other area Congressmen and environmental groups. I am pleased that the Appropriations Committee has included funding for the project in H.R. 14236. Hopefully, the Administration will not withhold funds for the project and we can begin to solve our water supply problems.

In addition, Mr. Speaker, it should be noted that only $200,000 has been appropriated for the Bloomington Dam project in fiscal year 1977 above the administration request of $11.8 million. This project is essential for meeting the Washington area's water needs in the 1980's. In fact, it is so important that all projections of the area's future needs have assumed this dam would be built by 1979. The project needs a total of $18.3 million in fiscal year 1977 to stay on schedule for completion by 1980. Unless the Senate provides an additional $6.3 million to the House appropriation, this project will slip to 1981. The Bloomington project, like the pilot plant has unanimous regional support, and should not be further delayed.

SINGING ANGELS DESERVE THEIR NATIONAL RECOGNITION

HON. JOHN GLENN

OF OHIO

IN THE SENATE OF THE UNITED STATES

Monday, June 21, 1976

Mr. GLENN. Mr. President, on Monday of this week the Capitol Hill community was treated to an outstanding performance by an Ohio musical group called the Singing Angels.

I would like to take this opportunity to note in the RECORD the major contributions that have been made by this vocal organization.

Composed completely of young persons, 8 to 18 years old, from Greater Cleveland, the Angels represent this country in its very finest aspects. Drawn from all strata of society, the approximately 150 participants contribute voluntarily of their time and devote virtually every Saturday to rehearsals.

The quality of their efforts shows through when the Angels perform, under the highly able direction of Bill Boem and his staff. The Singing Angels have sung at the 1973 Presidential Inauguration, at a White House Command Performance, on national television—both the "Kraft Music Hall" and the "Today Show"—and hundreds of other appearances, including 3 weeks in Europe in 1974.

Their present Bicentennial tour, which brought them to Washington, began in New York and will carry them clear across the Nation to Los Angeles before the Bicentennial summer ends. I was honored to be in a position to invite the Singing Angels to the Capitol on Monday and know that my colleagues share my appreciation for these inspirational ambassadors of goodwill from Cleveland, Ohio.

SENATE—*Tuesday, June 22, 1976*

(Legislative day of Friday, June 18, 1976)

The Senate met at 9 a.m., on the expiration of the recess, and was called to order by Hon. WILLIAM PROXMIRE, a Senator from the State of Wisconsin.

PRAYER

The Reverend Dr. George R. Davis, minister, the National City Christian Church, Washington, D.C., offered the following prayer:

Eternal Father, we would not enter any door of significance in human experience without recognizing Your existence and presence; invisible but real, quiet but powerful, humble but in control of all destiny.

Thou God of all nations, we are grateful for Your reality in the origin, history, and, we believe, the future of our Nation, a nation now on the threshold of an inspiring celebration.

As we gather in this historic place with those who, by Thy providence and by the will of the people, perform their duties here, grant them ever-increasing wisdom, nobility, generosity, and patience in their efforts.

Where we are in error, correct, and forgive us; where we are good, make us better; where we are better, make us excellent; and where we are excellent, make us humble. And when we are humble, grant us to be courageous and loving.

Lord God of Hosts, be with us yet, in the name of Him who is the Wonderful Counselor, the Mighty God, the Everlasting Father, the Prince of Peace. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

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

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., June 22, 1976.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. WILLIAM PROXMIRE, a Senator from the State of Wisconsin, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. PROXMIRE thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Journal of the proceedings of Monday, June 21, 1976, be approved.

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

CENTRAL, WESTERN, AND SOUTH PACIFIC FISHERIES DEVELOPMENT

Mr. MANSFIELD. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on H.R. 13380.

The ACTING PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the amendment of the Senate to the bill (H.R. 13380) to amend the Central, Western, and South Pacific Fisheries Development Act to extend the appropriation authorization through fiscal year 1979, and for other purposes, as follows:

In lieu of the matter proposed by the said amendment, insert:

That the Central, Western, and South Pacific Fisheries Development Act (86 Stat. 744; 16 U.S.C. 758a note) is amended—

(1) by striking in section 2 the words "three-year";

(2) by striking in section 4 the words "June 30, 1976, a complete" and inserting in lieu thereof the words "January 30 of each year, an annual"; and

(3) by inserting ", and for the period beginning July 1, 1976, and ending September 30, 1979, the sum of $3,000,000," in section 7.

Mr. MANSFIELD. Mr. President, I move that the Senate concur in the House amendment.

The motion was agreed to.

COMMITTEE MEETINGS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet until 1 p.m. today.

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

RULES OF USE FOR THE OLD SENATE CHAMBER

Mr. MANSFIELD. Mr. President, for the information of the Senate, the following Rules of Use for the Old Senate Chamber have been agreed to by the Senate Commission on Art and Antiquities:

Pursuant to Senate Resolution 382, agreed to October 1, 1968, the Old Senate Chamber on the principal floor of the Senate wing of the U.S. Capitol Building is being preserved as a historic site by the U.S. Senate Commission on Art and Antiquities.

The Old Senate Chamber will be open to the public from 9 a.m. until 4:30 p.m. each day that the Capitol building is open, except when the room is being used for appropriate ceremonial occasions.

The Sergeant at Arms of the Senate, under the direction of the Commission on Art and Antiquities, shall have responsibility for the security and maintenance of the Old Senate Chamber.