H.R. 15021. August 3, 1976. Interior and Insular Affairs. Amends the Land and Water Conservation Fund Act of 1965 to authorize Federal agencies which collect revenues under the Act to recognize recreational and other beneficial public uses consistent with the promotion of navigation, flood control, and the generation of electric energy.

H.R. 15022. August 3, 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.

Reaffirms the authority of the State 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. 15023. August 3, 1976. Public Works and Transportation. Directs the Secretary of the Army, acting through the Chief of Engineers, to develop a plan for shoreline protection and beach erosion control along Lake Ontario.

Directs the President to request an International Joint Commission study of further measures necessary to reduce the water level of Lake Ontario.

H.R. 15024. August 3, 1976. Ways and Means. Authorizes every individual whose income tax liability, under the Internal Revenue Code, is $1 or more to designate $1 of that liability to provide financial assistance to the United States Olympic Committee.

H.R. 15025. August 3, 1976. Public Works and Transportation. Authorizes construction of bank stabilization works on the Missouri River between Fort Randall Dam and Sioux City, Iowa, subject to the concurrence of the Governors of Nebraska and South Dakota.

H.R. 15026. August 3, 1976. Public Works and Transportation. Amends the Federal Aviation Act of 1958 to allow air carriers to offer reduced-rate transportation on a space-available basis to persons who are 65 years of age or older or 21 years of age or younger, to handicapped persons, and to an attendant of such a handicapped person.

H.R. 15027. August 3, 1976. Education and Labor. Amends the Age Discrimination in Employment Act of 1967 to make its provisions, formerly applicable to persons between 40 and 60 years of age, applicable to anyone 40 years of age or older.

H.R. 1502. August 3, 1976. Agriculture. Amends the Agricultural Adjustment Act of 1938 to permit the Secretary of Agriculture to allow owners or operators of farms within Colleton County, South Carolina, who have suffered a loss of ten percent or more of their tobacco acreage due to a natural disaster, to lease all or part of their tobacco allotment or quota to other operators or owners in the same or nearby counties within the State.

H.R. 15029. August 3, 1976. Merchant Marine and Fisheries. Amends the Ports and Waterways Safety Act of 1972 to provide for the award of grants to port authorities in the United States to enable such authorities to protect public ports and land areas adjacent to such ports from fires and other accidents or casualties occurring in such ports.

H.R. 15030. August 3, 1976. Agriculture. Amends the Agriculture Adjustment Act of 1938 to permit the Secretary of Agriculture to allow owners or operators of farms within Clarendon, Darlington, Horry, Williamsburg, Florence, and Marion Counties, South Carolina, who have suffered a loss of ten percent or more of their tobacco acreage due to a natural disaster, to lease all or part of their tobacco allotment or quota to other operators or owners in the same or other counties within the State.

H.R. 15301. August 3, 1976. Ways and Means. Amends the program of Old-Age, Survivors, and Disability Insurance of the Social Security Act to include Mississippi among the States which may provide coverage for policemen and firemen under agreements entered into pursuant to such title.

H.R. 15302. August 3, 1976. Interior and Insular Affairs. Prohibits mining or related operations from discharging amphibole asbestos fibers except on land and in accordance with regulations promulgated by the Secretary of the Interior.

H.R. 15033. August 3, 1976. Interior and Insular Affairs. Stipulates that mining companies or related operations which have discharged amphibode asbestos fibers into Lake Superior shall be required to pay for the cost of removing such fibers from water used for human consumption, under regulations promulgated by the Secretary of the Interior.

H.R. 15034. August 3, 1976. Ways and Means; Interstate and Foreign Commerce. Amends the Social Security Act to establish a catastrophic health insurance program.

Delimits the eligibility criteria and the scope of benefits of such program.

States that such benefits shall include hospital, post-hospital, and home health services, and medical benefits.

Creates a Federal Catastrophic Health Insurance Trust Fund in the United States Treasury to provide a reserve for payment of benefits.

H.R. 15035. August 3, 1976. Interstate and Foreign Commerce. Amends the Communications Act of 1934 by extending the maximum term of license and license renewal for the operation of broadcasting stations from three to four years for television and to five years for radio or any other class of station. Revises the condition for approval of applications for licensing or license renewal.

SENATE—*Wednesday, September 8, 1976*

The Senate met at 10 a.m., and was called to order by Hon. JAMES B. ALLEN, a Senator from the State of Alabama.

PRAYER

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

Almighty God, eternal and invisible, beyond us yet ever near us, we pause in the midst of heavy duties and pressing issues to commune with Thee, the unseen source of goodness, beauty, and truth. May we so yield ourselves to Thee that our public service may arise out of pure hearts and from clean hands. May the light which is the Light of the World illuminate our thoughts and our actions. We intercede not for ourselves alone but for the President, the whole Congress and all who influence its policies. We pray for the whole body of the people, that in the days in which we live we may come to know Thy will and to do it.

"Thy love divine has led us in the past;
In this free land by Thee our lot is cast;
Be Thou our Ruler, Guardian, Guide, and Stay;
Thy Word our law, Thy paths our chosen way."—DANIEL C. ROBERTS.

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 legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., September 8, 1976.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. JAMES B. ALLEN, a Senator from the State of Alabama, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. ALLEN thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Tuesday, September 7, 1976, be dispensed with.

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

SPECIAL ORDERS FOR FRIDAY, SEPTEMBER 10, 1976

Mr. MANSFIELD. Mr. President, I ask unanimous consent that on Friday, September 10, 1976, after the joint leaders have been recognized the Senator from Iowa (Mr. CLARK) and the Senator from Colorado (Mr. GARY HART) be recognized for not to exceed 15 minutes each, and the Senator from Wisconsin (Mr. NELSON) and the Senator from Iowa (Mr. CULVER) be recognized for not to exceed 10 minutes each.

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

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Does the distinguished Senator from Michigan, the assistant minority leader, desire recognition?

Mr. GRIFFIN. I yield back my time.

The ACTING PRESIDENT pro tempore. Under the previous order the distinguished Senator from North Carolina (Mr. HELMS) is recognized for not to exceed 15 minutes.

Mr. HELMS. Mr. President, I thank the Chair.

HOSTILITY TOWARD SOLZHENITSYN

Mr. HELMS. Mr. President, the Evans and Novak column of September 2, published the day after the Senate recessed, bears witness to the continuing hostility toward Alexandr Solzhenitsyn which still exists in the State Department. These distinguished columnists, Mr. Evans and Mr. Novak, report that Mr. Winston Lord, the State Department policy planning director, referred to Mr. Solzhenitsyn as a "Fascist" or almost so. More important, however, Mr. Lord went on to repeat the old State Department

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line that Mr. Solzhenitsyn and his views were a threat to peace.

Mr. President, yesterday afternoon I talked with Bob Novak, who is, as I say, a distinguished journalist and a man in whom I have complete confidence. I have observed his and Mr. Evans' work over a period of many years. I asked Mr. Novak if he were certain beyond any peradventure that his report as to Mr. Lord's comments about Solzhenitsyn was accurate. He assured me that it was absolutely accurate and that any attempt to deny it or to temper it would be a contradiction of the truth.

In any case, Mr. President, this episode, which took place August 19, is simply a repetition of the disastrous advice which Secretary of State Kissinger gave to President Ford last year in advising the President not to receive Mr. Solzhenitsyn at the White House. Moreover, it occurred only 2 days after the Republican Party, gathered in Kansas City, hailed Mr. Solzhenitsyn as a—and I quote from the Republican platform—

> Great beacon of human courage and morality.

And the Republican platform went on to say in regards to Mr. Solzhenitsyn—

> His compelling message that we must face the world with no illusions about the nature of tyranny.

Furthermore, the Republican Party, as a whole, pledged that "ours will be a foreign policy that keeps this ever in mind."

Yet, Mr. President, only 2 days later the administration's foreign policy planning director, Mr. Winston Lord, is not even keeping it in mind; he is quoted as repecting Solzhenitsyn's visit as a basis for foreign policy.

Now this is not just a question of rhetoric. It is clear that the Secretary of State and his Department are completely out of touch with the mood of America. The Secretary and his Department regard Solzhenitsyn as a threat to peace at a time when the Republican Party regards Solzhenitsyn as a bulwark of peace.

Let me quote once again from the Republican Party platform:

> The goal on Republican foreign policy is the achievement of liberty under law and a just and lasting peace in the world. The principles by which we act to achieve peace and to protect the interests of the United States must merit the restored confidence of our people.

Mr. President, I ask, how are we going to restore the confidence of the people if the Secretary of State and his Department do not abandon the policies which have caused the people to lose confidence in the first place? Our goal in foreign policy is based upon a philosophy of liberation, not a philosophy of concession. We do not want peace at any price; we want a just peace. We want a peace which restores basic human freedoms and rights.

This is the message which Solzhenitsyn has been bringing us. Solzhenitsyn has been saying that the oppression and tyranny which characterize Communist countries are not the result of history or temporary necessity; Solzhenitsyn is saying that communism is such a perversion of human nature that it necessarily results in tyranny.

In other words, there is no hope of a just peace, as long as communism rules. But if that is a somber message, there is also a message of hope. Solzhenitsyn also shows that communism is corrupt within, and that the internal resistance is growing. That is why he continues to plead with the leaders of the United States not to strengthen the Communist ruling minority in the Soviet Union with technological and diplomatic assistance.

Solzhenitsyn does not ask us to attack the Soviet Union, or to engage in military operations. He asks only that we withhold our support of tyranny, so that the internal strains and struggles within the Communist empire can emerge and liberate the Soviet peoples.

This is why we must have, as the Republican party platform urges, a philosophy of liberation. We must uphold the right and duty of those oppressed by communism to free themselves. We must never take away their hope that someday the evil will be thrown off, and all the traditional rights of man—the rights of family, private property, and free expression both in economics and speech—may be restored.

That is also why the Republican party platform proclaims the following:

> Agreements that are negotiated, such as the one signed in Helsinki, must not take from those who do not have freedom the hope of one day gaining it.

Everybody knows what the Helsinki agreement has done. The President received bad advice from Secretary Kissinger when he signed this agreement. I know that the President signed it in good faith, based on advice from Dr. Kissinger. But the fact remains that we must now take steps to see that the agreement is interpreted in the most hopeful way possible, so as to restore confidence both to our own people and to those who are caught behind the door slammed shut at Helsinki.

It is time now to find our whether Secretary of State Kissinger and his subordinates such as Mr. Lord, accept the Republican party platform or not. It is time for them to put up or shut up. The Secretary has been quoted as saying that he felt it did not apply to any of the policies which he has pursued in the past; but it appears now that nothing has really changed at the State Department.

The Secretary must repudiate any statement originating in his department which suggests that Alexandr Solzhenitsyn and Alexandr Solzhenitsyn's views are a threat to peace, because it simply is not so. On Wednesday of last week, President Ford telephoned me and told me that he wholeheartedly accepts the platform and the principles written therein. I submit that Secretary Kissinger can do no less. If the Secretary of State does not embrace the platform, as it stands, especially the sections dealing with foreign policy, then this Senator from North Carolina feels that Secretary of State Kissinger should resign, because the people of America expect us to stand on principle. The party cannot stand divided in this election, and the principles that were enunciated in the Republican Party platform are vital to the credibility of the political process and, more important, to the security of this Nation. Secretary of State Kissinger has no choice, if the administration is to win the confidence of the American people. He must embrace the platform or he should resign.

Mr. President, I ask unanimous consent that the Evans and Novak column of September 2, as published in the Washington Post, be printed in the RECORD at the conclusion of my remarks.

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

THE HOSTILITY TOWARD SOLZHENITSYN

(By Rowland Evans and Robert Novak)

Two days after the Republican national platform extolled Alexander Solzhenitsyn as a "great beacon of human courage and morality," one of Henry Kissinger's top aides used the word "Fascist" in describing the anti-Communist Russian novelist.

The comments were made Aug. 19 by the highly respected Winston Lord, State Department policy planning director, in an off-the-record session with the department's student interns. Some of the interns present quote Lord as saying Solzhenitsyn "is just about a Fascist." Lord says he did not call the writer a Fascist but does not deny using the word.

Behind this unfortunate hyperbole is an undeniable truth: Hostility toward Solzhenitsyn within the policymaking machinery headed by Secretary of State Kissinger has not subsided since June 1975, when it convinced President Ford he should snub the Nobel laureate. At the State Department, Solzhenitsyn is still viewed as a threat to world peace rather than a symbol of freedom.

Judging from his reluctance to accept the Solzhenitsyn plank at Kansas City, Mr. Ford shares this view as he does Dr. Kissinger's other positions. Nor is he likely to be challenged on this point by Jimmy Carter, whose foreign policy advisers agree with Foggy Bottom in branding Solzhenitsyn as a slightly balmy 19th century Russian mystic.

Thus, the bipartisan foreign policy establishment has been successful in downgrading Solzhenitsyn since his triumphant arrival here a year ago. He has been a key target of the detentists, both in the Kremlin and on the State Department's seventh floor.

The view from the seventh floor was revealed in Lord's Aug. 19 session with the student interns when he was asked about Solzhenitsyn. He replied that it had been a mistake not to invite the Russian expatriate to the White House—an admission that is now State Department doctrine.

Lord went on to praise Solzhenitsyn's brilliance and courage but added that his views, if carried out, could threaten world peace. Then, as reported immediately thereafter by one intern and later confirmed by others, Lord said in matter-of-fact tones: "Let face it, he's just about a Fascist." He concluded by saying Solzhenitsyn fulfilled a desire by many Westerners to feel moral.

When asked to confirm or deny this, Lord told us: "I did not call him a Fascist. He's not a Fascist." As to whether he used the word "Fascist," Lord said he would have to consult the transcript. However, no transcript was kept.

The spirit of what Lord said was faithful to private views held inside the Ford administration. That explains the fierce opposition to any mention of Solzhenitsyn in the Republican platform. When Mr. Ford backed down rather than risk a disastrous floor fight with the Reagan forces, Kissinger was furious. He even threatened to resign the next day if the amendment were accepted (prompting an admonition from one sharp-tongued Ford operative that he ought to quit

today, not tomorrow, to generate more delegates for the President).

The Ford-Kissinger attitude is duplicated on the Democratic side. A pro-Solzhenitsyn plank was quietly rejected by the Democratic platform-drafting group and never reappeared in open sessions. Key advisers, contending that Solzhenitsyn has taken on a right-Republican coloration, advise Carter not to raise the matter in speeches or in forthcoming debates with the President.

Since Solzhenitsyn is neither a right-wing Republican nor a Fascist and might be considered rather moderate considering his life's experience, the real objection is not to his ideology but to the threat he poses to detente. That threat was expressed bluntly in the State Department's memorandum to the White House on June 26, 1975:

"The Soviets would probably take White House participation in the affair (a banquet honoring Solzhenitsyn) as either a deliberate negative signal or a sign of administration weakness in the face of domestic anti-Soviet pressures. . . . Not only would a meeting with the President offend the Soviets but it would raise some controversy about Solzhenitsyn's views of the United States and its allies. . . . We recommend that the President not receive Solzhenitsyn."

While that recommendation is now conceded to be a political error, the philosophy behind the memorandum flourishes in the Ford administration. When Winston Lord told student interns that the Russian expatriate's political views threaten world peace, he was unveiling the hard consensus of the U.S. foreign policy establishment, which now seems the conventional wisdom in Washington.

ORDER OF BUSINESS

Mr. HELMS. 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. BARTLETT. 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.

At this time, in accordance with the previous order, the Chair recognizes the distinguished Senator from Oklahoma (Mr. BARTLETT) for not to exceed 15 minutes.

JAPAN'S SECURITY ROLE IN THE WESTERN PACIFIC

Mr. BARTLETT. Mr. President, 2 days ago, a Soviet Mig–25, Foxbat, the most advanced Soviet jet fighter, penetrated without challenge or interference the air defenses of Japan and made what could be very mildly described as a surprise landing at a commercial airport in Hakodate, Japan. The following is an account of the incident as reported by the Washington Post yesterday, September 7:

The plane approached from the north—supposedly the strongest sector in Japan's 28 station radar net—and slipped through at a low altitude. It was first identified 200 miles northwest of Hakodate at 1:11 p.m.

Japanese-manned Phantoms were scrambled nine minutes later "to warn the enemy fighter not to enter Japanese territory," according to a Defense Agency spokesman. The Mig eluded them, ignored warnings broadcast in English and Russian, and dived off defense radar screens for 30 minutes. It reappeared over Hakodate Airport, and landed minutes after a domestic airline took off for Tokyo.

Soviet air and naval reconnaissance missions close to Japan's shores have spurred public feeling for a strengthening of defense forces. The major emphasis in Japan today has not been the pilot's defection but the ease with which he arrived.

Mr. President, it is still unclear whether this was in fact a deliberate defection by the pilot of the Mig–25, or whether the pilot might have been forced to make an emergency landing while on a reconnaissance mission against Japan, or whether some other explanation may be found for this bizarre incident. However, there is no doubt that this military embarrassment clearly demonstrates the existence of glaring deficiencies in Japan's self-defense capabilities.

This particular matter is both topical and urgent; however, it represents only a small part of a much greater problem, one which goes far beyond the question of the adequacy of Japan's radar system. To place the Mig–25 incident in perspective, we must examine in detail the larger question of Japan's security role in the western Pacific.

For too long a period, both in Japan and the United States, the security role of Japan has been treated from a narrow perspective and overladen with an emotionalism that is long outdated. On the one hand, Japan's achievements in the security field are greater than most people realize; on the other hand, its economic capacity and political wherewithal to contribute further has been eschewed. However, Japan can do more and must do much more both for the preservation of peace and the vitality of the United States-Japanese alliance.

Japan's contributions to security have not been adequately recognized, because too frequently security is considered exclusively in terms of military considerations. Actually, security has several aspects in addition to its military dimension: Economic development, political stability, and regional cohesion. In this broader context, Japan has contributed greatly to security both at home and abroad. Economically, Japan has helped propel the growth of other East Asian states whose exports to Japan have been a crucial stimulus in their economic development. Nothing highlighted this factor more than the recent energy crisis when the temporary depression in Japan adversely affected regional prosperity.

Japan invests considerable sums in the region, through official aid as well as in the private sector. Japan now provides more foreign aid as a percentage of GNP than the United States. Its continued aid programs help the recipient states directly and tend to reduce the influence of the major Communist powers. All states in the area have repeatedly sought a continued Japanese economic presence for these very reasons.

Finally, Japan has done much to strengthen regional organizations, especially the Asian Development Bank to which it is a major contributor.

However, there are weaknesses in Japan's approach—trade imbalances favoring Tokyo, allegations of exploitative investments, and general antagonism to its overwhelming economic superiority. But Japan is sensitive to these complaints and is trying to adjust accordingly.

Significantly, in the political realm, Japan has begun to edge away from its cautious or "low posture" approach. It has worked with the Southeast Asian states to address the 1970 Cambodian crisis. More recently, it has cooperated vigorously with other regional states to develop a coordinated position at the U.N. on difficult issues like Korean representation. Japan should be encouraged in its current quest for a permanent seat on the Security Council.

Most important of all, Japan's great success in achieving a viable economy and a stable domestic order has contributed enormously to the overall stability in world affairs. Japan conclusively demonstrates that outstanding economic progress does not require a totalitarian communist regime. Japan remains an effective democracy at a time when authoritarian regimes are on the rise elsewhere in Asia.

Japan's defense effort has been considerably limited in comparison to other industrialized democracies. Nonetheless, we should not overlook its contribution to the military stability and security of the Pacific. Most important, under the Mutual Security Treaty of 1960, Japan provides the United States major air and naval facilities in return for strategic and conventional military protection. These rent-free installations comprise a significant financial contribution for this land-poor country. Moreover, the United States may use these facilities under certain conditions, with permission from the Japanese, for the security of the Far East, and not simply of Japan. The high quality of Japanese labor and technology at these installations adds immeasurably to their value as the foundation of the U.S. strategic position in the western Pacific. In turn, American nuclear and conventional protection reinforces the global balance, enhances deterrence, and keeps Japan from becoming a tension point in world politics.

Japan's self-defense effort is quite limited but sustained. For 20 years it has steadily upgraded its forces and is now preparing a fifth defense buildup plan. However, inflation is a real problem. These forces are modest in size, but well-trained and possess high-quality but limited conventional equipment. Japanese defense authorities are realistic about the weaknesses of the Self-Defense Forces—SDF—and have outlined a sensible program for improvement to handle existing operational responsibilities and limited-threat contingencies. The recent Defense White Paper of June 1976, though woefully inadequate, short-sighted, idealistic, and optimistic, calls for concentration on improving air and sea surveillance and other intelligence activities. Japan also recognizes the need to make bases less vulnerable and to upgrade logistical support-and-supply systems.

The Government has worked to improve public debate on defense issues, to

give public respectability to security concerns, and to improve the image of the self-defense forces. Public debate in the United States is equally important to Japan's achieving a credible, yet significant security role in the Far East.

The Japanese have also sought closer relations with the United States in dealing with defense problems. The white paper recognizes the need for smooth coordination of operations with U.S. forces. It accepts the need for an effective United States-Japan security system, in part resting on a sensible Japanese effort to upgrade forces, tasks, and equipment. Closer cooperation, therefore, has not led Japan to slough off its responsibilities or to propose, as it formerly did, reduced U.S. involvement in the western Pacific. Instead, Japan seeks greater cooperation in preparing for contingencies such as threats to maritime lines of communication. The newly created United States-Japan Committee for Defense Cooperation is a useful step forward, enabling the two states to maintain, at the civilian policy level, control of coordinated military planning, including the exploration of contingencies.

While the way for a more vigorous defense role for Japan has much improved, we should not overlook the complexities of Japanese security politics and the emotionalism that still besets her defense policy.

First, there is the "no-war" constitutional restriction under article 9, interpreted to permit arming for self-defense but not for offensive activities. This view of the Defense Establishment has been challenged but upheld in the courts, and at least some political elements have advocated abolition of the self-defense force. A great political division might split the country should a sustained attempt be made to amend the constitution. But that is neither necessary nor desirable.

We all know of the "nuclear allergy" and the historical reasons underlying Japan's refusal to develop an atomic arsenal, and its recent concerns demonstrates the degree of its commitment to this course. And, it should be noted, the United States has long advocated Japanese ratification of the Nuclear Nonproliferation Treaty.

Powerful restrictions are even more apparent when we consider a role for Japan in defense matters beyond its national frontiers. There is a deep aversion in Japan to any projection of military power abroad, including regional defense obligations. Although World War II and fear of Japanese militarism are rapidly fading away in Southeast Asia, no doubt many Asians still remain concerned about a Japanese military revival, because, combined with Japan's great economic power, it rekindles fear of imperial domination from Tokyo.

The policy of limited defense also rests on a specious official Japanese view of a stable international environment that assures continued security with a minimal effort. This overly optimistic position assumes a continuation of: The U.S.-U.S.S.R. nuclear balance and efforts to sustain détente, U.S. conventional military support, the absorption of expanding Soviet power in Europe, continued Sino-Soviet confrontation even if relations partly improve, favorable developments in United States-Chinese relations, and the status quo in Korea without escalation of minor incidents. These premises underlie the myopic plans for Japan's defense beyond 1976.

But still Japan must do more, much more, in the security field—and it has the capacity for doing so. If it adopts the proper policies, its government can cultivate adequate political support at home and abroad for these efforts to succeed.

The need to do more stems from a candid, objective observation of the dangerous and increasingly uncertain international situation. Clearly Japan must take off its blinders, it must face up to reality.

Because change is occurring gradually, there is sufficient time to act. But the absence of a decisively negative turn of events should not lull anyone into believing that inaction will allow Japan to avoid the most harmful consequences.

Major challenges already exist and will proliferate in the near future. These include:

The continuing growth of Soviet naval power worldwide and in the western Pacific and Indian oceans. Long concerned with this trend, the Japanese chart Soviet force increases with meticulous precision, and have placed a growing dependence on the U.S. naval presence for their security.

North Korea refuses to accept a stabilizing settlement that recognizes two Koreas. In this it is supported, diplomatically and undoubtedly militarily, by its major Communist allies. The peninsula remains a powder keg that could ignite war throughout the region.

The dangers of insurgency are real in Southeast Asia, particularly Malaysia, Indonesia, and Thailand. Given a sharply reduced U.S. involvement and likely rise in guerrilla activity, Japan must reconsider its current low posture in its region. It must determine the extent of its interest in regional stability, and the value derived from rendering assistance to these states.

The vulnerability besetting its vital lines of energy and food communications to the Persian Gulf, Indonesia, and North America is an Achilles heel. Japan should, on a crash basis, implement the obviously expensive but urgently needed plans to protect and guarantee its energy and food requirements.

Because of Japan's dependence on foreign energy and food resources and the vulnerability of these resources to interdiction along the long supply routes through the Indian and Pacific Oceans, Japan should increase its navy to help escort its commercial shipping in times of crises. Japan currently imports 90 percent of its domestic energy requirements, with 74.3 percent of its petroleum needs coming from the Middle East alone during calendar year 1975. Likewise, Japan is highly reliant on other nations for food. While Japan was 72 percent self-sufficient in terms of the value of food consumed in 1972, it was only 50 percent self-sufficient in terms of caloric intake. By contrast, in 1960 Japan was 90 percent self-sufficient in the value of food consumed. The trend is obvious. Japan can literally be strangled or blackmailed by unfriendly countries if its supply routes are cut off.

Future Chinese policy is uncertain because of the unpredictability of its domestic politics. Conceivable turmoil in Peking could induce an opportunistic Soviet venture leading to conflict, or a Sino-Soviet war could occur in any event. At the other extreme, some form of reconciliation could measurably improve Sino-Soviet relations.

A war between the two could threaten Japan in its spillover effects. A reconciliation would undermine a major Japanese premise that regional power balances assure the country's security and make a greater defense effort unnecessary.

Rumblings from China indicate Peking's insistence that after the American elections, the United States must end official recognition of Taiwan. The final resolution of this relationship, which affects the United States, mainland China, and Taiwan, could change the regional balance of military power.

Any significant buildup in military defense forces has a long leadtime, particularly in a democracy which requires public support, but even more so in Japan, whose military dependence on the United States has stimulated its complacence.

Recurring concern in the United States about Japan's security effort cannot and should not be ignored. The U.S. alliance remains intact, but, as Japan continues to prosper and as defense issues in the Pacific become more difficult and affect Japan more directly, American resentment is bound to grow over Japan's failure to expand its defense efforts. Doubts could rise in both lands about the viability of the security relationship, just when it should become more cohesive.

For these reasons, the time has come for Japan to free itself from outmoded fears, to consider openly the threats, and to consider seriously new initiatives. Because the problems are formidable, I propose steps that are modest and limited, measured by any objective standards. Before addressing these specifics, let me make one additional comment on a sensitive matter. There persists a continuing fear in the United States, in east Asia, and even in Japan that increases in Japanese conventional military defense capabilities will lead to massive—even nuclear—rearmament, and to a revival of the militarism of the 1930's. In fact, the United States is guilty of calling on Japan to do more while at the same time expressing such fears.

Some of the fear is generated by the term "rearm" which seemingly connotes expanding offensive military might. The question, "Should Japan rearm?" is similar to "When are you going to stop beating your wife?"

It should be recognized how unrealistic such concerns are in the totally different circumstances of the 1970's. Japan today has an effective and vital democracy, with firm civilian control over the military. The international security scene is completely transformed with two superpowers and a nuclear-armed China clearly superior to Japan in military might. The smaller states of the region recognize the value of Japan in helping balance the Soviet Union and

China as the American role diminishes. Finally, two major considerations negate the whole argument of unbridled offensive militarism: We are talking about modest improvements to cope with specific, real defense problems, and the Japanese are operating within the U.S. alliance framework, which will be strengthened, not weakened, as Japan takes a more active role in its own defense. The fictional demon of revived Japanese militarism must finally be exorcised.

To begin, Japan should increase significantly its defense expenditures. At less than 1 percent—0.82 percent—of GNP, Japan is in the lowest category of defense spending in the entire world. This compares to corresponding ratios of 16 percent for the U.S.S.R., 6 percent for the United States, and 4 percent for the Federal Republic of Germany. Moreover, inflation has eroded the recent nominal increases so that additional sums planned for 1976 over 1972 hardly materialized, and most of these took the form of greater expenditures for personnel. Capital spending for weapon procurement has declined as a share of the total, until today it comprises little more than 20 percent of defense outlays. Because personnel and other ordinary expenses are bound to rise under inflationary pressures, the defense share of GNP will have to reach 1.15 percent or higher over the next 5 years if capital expenses are to maintain their already reduced share of the total. In fact, Japan will have to increase its defense share of GNP to the 1.25- to 1.50-percent range if it is to maintain even the modest conventional defense force currently projected.

This brings me to the matter of existing forces and their responsibilities. As the recent white paper acknowledges, the present 5-year buildup program ends this year "with a substantial portion of the planned acquisition of major equipment left unaccomplished, mainly due to high procurement cost." Furthermore, the training of the Self-Defense Force remains inadequate because of insufficient space. Because of logistical shortages, Japanese forces could not fight for even a month to protect the country against a serious conventional attack. It may even lack the ability to carry out efficiently its lesser assignments to prevent minor aggressions and limited probes. Its reserve supply and transport systems remain woefully weak. Only vigorous efforts will bring actual capabilities up to the levels required to handle existing missions. Clearly, the additional sums required may not come easily in an era of likely reduced economic growth rates. But, given Japan's extraordinarily low levels of defense expenditures, a greater effort is both necessary and politically feasible.

While operating within the current defense framework, Japan should conduct its air and naval activities—particularly in patrols and intelligence—with more efficiency and assertiveness. It should discourage Soviet penetrations and harassment of its waters and air space. Japan should be able to deny to hostile naval forces access to the three straits near the home islands. In particular, it needs a more effective antisubmarine capability in an area encompassing several hundred miles around the home islands.

Japan should therefore strengthen the Maritime Self-Defense Forces in future buildup plans. Without developing a true "blue-water" navy, it must effectively protect sea lanes to Okinawa and provide for that island's defense. Going a big step further, Japan must protect its vital energy sea lanes from Japan through the Indian ocean to the Mideast, the source of 75 percent of its energy requirements and its food sea lanes.

Even a modest effort will contribute to maintaining the naval balance in the Pacific, as the number of Soviet vessels rises, especially in the category of small but efficient combat ships related to submarine, minelaying, and escort activity. Other States, including China, are not likely to oppose such a measurable contribution to keep Soviet power in check.

A less desirable alternative might be for Tokyo to assume some of the U.S. military costs in Japan. This type of burden sharing, by reducing pressure against the inequalities of the relationship with the United States, might work for the long term in Japan, but risking American lives to obtain Japanese dollars will not sell in the United States.

United States-Japanese cooperation in defense planning and operations can and must be broadened considerably. The creation of formal bodies to explore contingencies is a most important first step. This should lead the United States to work more closely with Japan on existing defense plans and in developing future ones. Japan, in turn, should assume more operational burdens, not only in southern waters, but also in similar activities in the more sensitive Soviet-patrolled area to the north. Close allied air and naval cooperation in extended surveillance, routine operations, and joint exercises would inject greater realism into Japanese strategic planning and force development.

Such efforts should receive adequate publicity and not be kept hidden from Japanese public view for fear of adverse political reaction. Intense criticism by the opposition will occur, but it is important to face the issue squarely so as to generate general acceptance of active allied defense cooperation. This whole matter should be treated as a routine and constructive response to a real threat instead of as an immoral act, a political liability, and a danger to the security of Japan.

With regard to Southeast Asia, Japan can play a more direct role in defense-related matters. The U.S. role in the area, including the provision of military assistance, has declined. If some ASEAN members desire military assistance, particularly noncombatant equipment, I believe it would be very nearsighted for the United States to object or for Japan to reject such requests. Such aid would not fuel a destablizing arms race; rather it would contribute to stabilizing the regional balance. If it were feasible to channel such assistance through ASEAN itself, such help could strengthen that organization and reduce further any fears by the recipients of Japan gaining excessive leverage over them. And it might lead to more productive Japanese-ASEAN discussions regarding mutual understanding in trade and investment.

Finally, I should like to say a few words about Japanese-Korean relations. Conventional wisdom argues that Japan cannot help South Korea's defense, because the Koreans themselves oppose such a connection and because the Japanese reject all foreign entanglements, even in a land acknowledged as vital to their security. It is also undoubtedly true that Moscow and Peking would react negatively to such an initiative. Yet what will happen if the present situation runs its course? Will Japan's security be enhanced if the United States eventually reduces its Korea-based forces? Will the situation improve if South Korea develops an autonomous capability? If Seoul obtains nuclear weapons, could Japan still adhere to the Nonproliferation Treaty? Is there any real indication that Kim Il-sung would refrain from trying to unify Korea under communism? Will China back off from its recognition of North Korea as the sole legitimate government on the peninsula so long as present conditions prevail?

I believe that a Japanese decision, in conjunction with the United States, to help underwrite the security of South Korea in the present circumstances can have only beneficial effects. This step could be contingent upon some U.S. forces remaining in Korea. The Japanese undertaking could begin with a diplomatic commitment, the development of trilateral air defense contingencies and intelligence endeavors, and some military assistance credits. This in turn could keep the South Korean rearmament efforts within acceptable limits. Seoul would benefit from a strengthened American tie, now placed in a multilateral context, and a diminished threat from the North. Chinese, and Soviet objections could be met by pointing to the stabilizing consequences of Japan's action, combined with the suggestion that this could evolve into a four-power guarantee of the status quo along the German model, if Pyongyang were induced to agree. I realize the problems inherent in such a proposal but I think that, at a minimum, the Japanese must begin to openly discuss the Korean issue.

In summary, Japan is a major force for peace and stability in Asia, but has received little recognition for its considerable achievements. It has great capacities, still untapped. In the current Asian situation, its low posture of the past is woefully inadequate. By timely, though limited actions, it can enhance the security of the region while pursuing its own vital interests at a reasonable cost. Failure to act will raise the costs dramatically in the future without avoiding dangerous crises or assuring favorable outcomes to such situations. Japan is a moderate, democratic state whose initiatives in regional affairs are sorely needed, in order to help establish both a regional and worldwide balance of power. It is my belief that proper defense measures, undertaken in a timely manner, will strengthen our alliance, enhance the security of all states in the region, and enable Japan to play a role more compatible with its true capabilities and responsibilities. Both the leaders

in the United States and Japan must discard the outmoded rhetoric of past days and seriously deal with the problem of Asian security.

Mr. President, I yield the floor.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. At this time, according to the previous order, there will be a period of not to exceed 15 minutes for the transaction of routine morning business with speeches by Senators limited to 5 minutes each.

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

The ACTING PRESIDENT pro tempore. The clerk will please 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 PRESIDING OFFICER (Mr. BARTLETT). Without objection, it is so ordered.

RESOLUTION PROVIDING FOR EQUAL EMPLOYMENT OPPORTUNITIES IN THE SENATE

Mr. MANSFIELD. Mr. President, on behalf of the minority leader, the Senator from Pennsylvania (Mr. HUGH SCOTT), Mr. ALLEN of Alabama, Mr. TUNNEY of California, Mr. BAYH of Indiana, and myself, I send to the desk Senate Resolution 534 and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated.

The legislative clerk read as follows:

S. RES. 534

Whereas the Senate supports the principle that each individual is entitled to the equal protection of the laws guaranteed by the Fourteenth Article of Amendment to the Constitution of the United States; and

Whereas the Senate as an employer is not compelled by law to provide to its employees the protections against discrimination established in the Equal Pay Act of 1963 or title VII of the Civil Rights Act of 1964: Now, therefore, be it

Resolved, That (a) no Member, officer, or employee of the Senate shall, with respect to employment by the Senate or any office thereof—

(1) fail or refuse to hire an individual,

(2) discharge an individual, or

(3) otherwise discriminate against an individual with respect to promotion, compensation, or terms, conditions, or privileges of employment

on the basis of such individual's race, color, religion, sex, national origin, or state of handicap

(b) Each Member, officer, and employee of the Senate shall encourage the hiring of women and members of minority groups at all levels of employment on the staffs of Members, officers, and committees of the Senate.

Mr. MANSFIELD. Mr. President, this resolution provides for equal employment opportunity in the Senate. It states simply that the Senate will not discriminate in the employment of individuals because of their race, color, religion, sex, or national origin.

As you know, the employees of the United States Senate are not covered by the Equal Pay Act of 1963 or Title VII of the Civil Rights Act of 1964.

These laws which Congress passed to protect workers all over the country do not apply to our own staff members.

It would seem logical—not to mention equitable—for the Senate to guarantee equal protection to its own employees and I believe this resolution is a firm step in that direction.

I am pleased that Senators HUGH SCOTT, ALLEN, TUNNEY, and BAYH, join me in sponsoring this resolution. I hope it will form the basis for affirmative action by Members of the Senate.

Mr. MANSFIELD subsequently said: Mr. President, joining Senators HUGH SCOTT, ALLEN, TUNNEY, and BAYH, in the sponsorship of this resolution are Senators ABOUREZK, BROOKE, CLARK, JAVITS, MCGOVERN, PERCY, RIBICOFF, and STEVENSON.

Mr. ALLEN. Mr. President, is the resolution submitted for immediate consideration?

The PRESIDING OFFICER. Is there objection to its immediate consideration?

There being no objection, the Senate proceeded to consider the resolution.

Mr. ALLEN. Mr. President, I ask for recognition under the morning business.

The PRESIDING OFFICER. The Senator from Alabama is recognized.

Mr. ALLEN. Mr. President, I appreciate the distinguished majority leader and the distinguished Republican leader allowing me to be one of the cosponsors of this resolution, because I believe the Members of the House and Senate—and, of course, particularly the Members of the Senate, because that is what the resolution has reference to—should follow the same rules that are required of the public generally.

I do not believe there should be an exacting standard for the public and a less exacting standard for the Members of the Senate. In fact, I think that Members of the Senate and Members of Congress should hew to more exacting lines of conduct and more exacting levels of high morality in the performance of their duties.

I might say I agree with Grover Cleveland who said that a public office was a public trust. I will go one step farther and say that the office of U.S. Senator belongs to the people; it does not belong to the person who happens to occupy that position at a particular time.

Too, his staff positions do not belong to him. They also belong to the people and if the public, the people generally, employers generally throughout the country, are required to adhere to a certain standard, I think it is improper for the Senate and for the House to exempt themselves from that particular standard.

If we have a law of general application throughout the country, and we have an exemption for Members of the House and Senate, I believe that is improper.

I do not believe in the concept of congressional immunity. I believe that Members of Congress should adhere to the same laws, the same rules, the same obligations that are required of citizens generally.

I am particularly interested in this resolution because when the EEOC bill was up here in the Senate some years ago I opposed the change in the concept in this Equal Economic Opportunity Commission from being an advisory body without enforcement powers, changing that concept over to that of an enforcement commission. I objected to the fact that this Commission was judge, prosecutor, and jury all rolled into one.

The distinguished Senator from North Carolina (Mr. Ervin) and I offered an amendment here on the Senate floor providing that the Members of the Congress and particularly the Members of the Senate would also be covered by this law. That amendment was defeated here in the Senate.

But I believe whether this law be good or bad, it is the law of the land. I do not believe that Members of the Senate should seek to exempt themselves from that law. We should comply with all the laws that are required of the public. We should be governed by the same rules that govern the public generally.

As I read this resolution, there are no enforcement powers under the resolution. In effect, is is a sense of the Senate resolution.

But I favor this on the concept that we should not set the Senate up as a special class of citizens, not subject to all laws that apply to citizens generally.

I believe that this is a fine statement of our obligation. I am sure that Senators have already been practicing this very same policy. I think it is well that this be put on the RECORD because we read in the printed media from time to time that Congress saw fit to exempt itself from this particular requirement.

So I think it is well that this has been stated as the policy of the Senate.

I commend the distinguished majority leader and the distinguished Republican leader for drafting this resolution. I feel that this is good public policy on the part of the Senate to state in a resolution that the Senate shall be governed by this same rule that is required of employers throughout the country—no less and no more, but the same rule.

This is certainly, in effect, equality under the law.

I commend the distinguished majority leader and the distinguished Republican leader.

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

The resolution (S. Res. 534) was agreed to.

The preamble was agreed to.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the resolution lay at the desk for the rest of the day in case other Senators wish to cosponsor it.

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

TECHNICAL AND CLERICAL CORRECTIONS IN ENGROSSMENT OF S. 1821

Mr. HOLLINGS. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of S. 1821, a bill to authorize the Secretary of the Interior to construct, operate, and maintain the Kanopolis unit of the Pick-Sloan Missouri Basin pro-

gram, Kansas, and for other purposes, which was passed on yesterday.

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

MESSAGES FROM THE PRESIDENT

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

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore 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.)

REPORT OF THE COUNCIL ON WAGE AND PRICE STABILITY—MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which was referred to the Committee on Banking, Housing and Urban Affairs:

To the Congress of the United States:

In accordance with section 5 of the Council on Wage and Price Stability Act, as amended, I hereby transmit to the Congress the seventh quarterly report of the Council on Wage and Price Stability. This report contains a description of the Council activities during the second quarter of 1976 in monitoring both prices and wages and the private sector and various Federal Government activities that lead to higher costs and prices without creating commensurate benefits. It discusses in some detail the Council's study of collective bargaining negotiations for 1976, health costs, steel products, and chemicals as well as its filings before various Federal regulatory agencies.

During the remainder of 1976, the Council on Wage and Price Stability will continue to play an important role in supplementing fiscal and monetary policies by calling public attention to wage and price developments or actions by the Government that could be of concern to American consumers.

GERALD R. FORD.

THE WHITE HOUSE, *September 8, 1976.*

APPROVAL OF A BILL

A message from the President of the United States announced that on September 7, 1976, he approved and signed 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.

MESSAGES FROM THE HOUSE

ENROLLED BILL SIGNED

At 12:25 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its clerks, announced that the Speaker has signed the enrolled bill (S. 217) to repeal the act of May 10, 1926 (44 Stat. 498), relating to the condemnation of certain lands of the Pueblo Indians in the State of New Mexico.

The enrolled bill was subsequently signed by the President pro tempore.

At 2:10 p.m., a message from the House of Representatives delivered by Mr. Berry announced that the House has passed the bill (S. 2212) to amend the Omnibus Crime Control and Safe Streets Act of 1968, as amended, and for other purposes, with amendments in which it requests the concurrence of the Senate.

The message also announced that the House disagrees to the amendments of the Senate to the bill (H.R. 15193) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1977, and for other purposes; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. NATCHER, Mr. GIAIMO, Mr. STOKES, Mr. MCKAY, Mr. BURLISON of Missouri, Mr. ALEXANDER, Mrs. BURKE of California, Mr. CHARLES WILSON of Texas, Mr. MAHON, Mr. YOUNG of Florida, Mr. KEMP, Mr. BURGENER, and Mr. CEDERBERG were appointed managers of the conference on the part of the House.

The message further announced that the Speaker has appointed Mr. DIGGS, Mr. NATCHER, and Mr. MCKINNEY as members on the part of the House of the Temporary Commission on Financial Oversight of the District of Columbia.

ENROLLED BILLS SIGNED

At 3:50 p.m., a message from the House of Representatives delivered by Mr. Hackney, one of its clerks, announced that the Speaker has signed the following enrolled bills:

H.R. 6622. An act to provide for repair of the Del City aqueduct, a feature of the Norman Federal reclamation project, Oklahoma.

H.R. 15371. An act to provide for protection of the spouses of major Presidential and Vice Presidential nominees.

The enrolled bills were subsequently signed by the President pro tempore.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

PROHIBITION OF EMPLOYMENT OF ALIENS IN COMPETITIVE FEDERAL SERVICE

A communication from the President of the United States transmitting a copy of an executive order generally prohibiting the employment of aliens in the competitive service; to the Committee on Post Office and Civil Service.

REPORTS OF THE IMMIGRATION AND NATURALIZATION SERVICE

A letter from the Commissioner of the Immigration and Naturalization Service transmitting, pursuant to law, reports covering the period August 16 through 31, 1976, concerning visa petitions approved by the Service (with accompanying reports); to the Committee on the Judiciary.

REPORT OF THE SECRETARY OF COMMERCE

A letter from the Secretary of Commerce transmitting, pursuant to law, a report on the activities of the U.S. Travel Service for the calendar year 1975 (with an accompanying report); to the Committee on Commerce.

REPORT OF THE DEPARTMENT OF STATE

A letter from the Assistant Secretary of State transmitting, pursuant to law, a report on excess defense articles delivered to foreign governments in the fourth quarter of fiscal year 1976 (with an accompanying report); to the Committee on Foreign Relations.

REPORT OF THE COMPTROLLER GENERAL

A letter from the Comptroller General transmitting, pursuant to law, a report entitled "Progress and Problems in Giving Rural Areas First Priority When Locating Federal Facilities" (with an accompanying report); to the Committee on Government Operations.

REPORT OF THE SECRETARY OF AGRICULTURE AND THE SECRETARY OF HOUSING AND URBAN DEVELOPMENT

A letter from the Secretary of Agriculture and the Secretary of Housing and Urban Development transmitting, pursuant to law, a report on financial and technical assistance provided by the two Departments for nonmetropolitan planning districts in fiscal year 1976 (with an accompanying report); to the Committee on Agriculture and Forestry.

SUMMARY REGARDING CHILDREN WITH LEARNING DIFFICULTIES

A letter from the Secretary of Health, Education, and Welfare transmitting a summary of activities within the Department concerning the handicapped population in general and the area of Children with Learning Disabilities specifically (with accompanying papers); to the Committee on Labor and Public Welfare.

REPORT OF THE OFFICE OF MANAGEMENT AND BUDGET

A letter from the Deputy Director of the Office of Management and Budget transmitting, pursuant to law, a follow-up report concerning recommendations contained in the Third Interim Report by the National Advisory Council on Equality of Educational Opportunity (with an accompanying report); to the Committee on Labor and Public Welfare.

REPORT OF THE GENERAL SERVICES ADMINISTRATION

A letter from the Administrator of General Services transmitting a report on a violation of section 3679 of the Revised Statutes, as amended (with accompanying papers); to the Committee on Appropriations.

REPORT OF THE COMPTROLLER GENERAL

A letter from the Acting Comptroller General transmitting a report entitled "Examination of Financial Statements Government Printing Office Fiscal Year 1975" (with an accompanying report); to the Committee on Appropriations.

BUDGET REQUEST OF THE CONSUMER PRODUCT SAFETY COMMISSION

A letter from the Chairman of the Consumer Product Safety Commission transmitting, pursuant to law, the 1978 budget request of the Commission (with accompanying papers); to the Committee on Commerce.

REPORT OF THE SECRETARY OF TRANSPORTATION

A letter from the Secretary of Transportation transmitting, pursuant to law, a report entitled "Advisability of Regulating Electric Vehicles for Energy Conservation" (with an accompanying report); to the Committee on Commerce.

PETITIONS

The ACTING PRESIDENT pro tempore laid before the Senate the following

petitions, which were referred as indicated:

Senate Joint Resolution 49 and Assembly Joint Resolution No. 51, adopted by the Legislature of the State of California; to the Committee on Agriculture and Forestry:

"SENATE JOINT RESOLUTION NO. 49

"Senate Joint Resolution No. 49—Relative to use of forest lands

"Whereas, There is no clear, modern statement of policy for forestry on federal lands in the United States; and

"Whereas, There is no comprehensive body of principles to guide the commitment and development of our federally owned forest resources; and, as a consequence, land classification decisions are being made without adequate policy direction; and

"Whereas, There is both a great need and an exceptional opportunity for congressional leadership to be exercised in the development of a policy for national forests and for federal-state cooperative programs for forest resource management that will meet long-term needs for all forest products and will protect the soil and other productive elements of the forest resource base; now, therefore, be it

"Resolved by the Senate and Assembly of the State of California, jointly, That the Legislature of the State of California respectfully memorializes the Congress of the United States to undertake all acts necessary to develop a national policy for the management of federally owned forests and related forest resources; and be it further

"Resolved, That the Secretary of the Senate transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

"ASSEMBLY JOINT RESOLUTION NO. 51

"Assembly Joint Resolution No. 51—Relative to packers and stockyards

"Whereas, The Packers and Stockyards Act of 1921 (7 M.S.C.A., Secs. 201 et seq.) was enacted to insure that the stockyards owners who own or operate livestock scales would be responsible for the accurate weighing of livestock; and

"Whereas, In general, the act provides for the suspension of stockyard operations for violating some provisions of the act and for either suspension of stockyard operations or a fine for violating other provisions of the act; and

"Whereas, Such lack of uniformity in available sanctions may result in the unequal treatment of persons who come under the provisions of such act; and

"Whereas, This lack of uniformity in the law prevents the United States Department of Agriculture from exercising any discretion when a violation of the act comes under the provision of law which only provides for suspension of operations; and

"Whereas, Such lack of flexibility often causes a great deal of economic hardship on the community where stockyard operations have been suspended for violation of the Packers and Stockyards Act of 1921; now, therefore, be it

"Resolved by the Assembly and Senate of the State of California, jointly, That the Legislature of the State of California respectfully memorializes the President and Congress of the United States to take all the necessary actions to modify the Packers and Stockyards Act of 1921 to provide for the imposition of fines as an alternative sanction to suspension of any operation for violating any provision of the act; and be it further

"Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

A resolution adopted by the Senate of the Commonwealth of Massachusetts; to the Committee on Government Operations:

"THE COMMONWEALTH OF MASSACHUSETTS RESOLUTION

"Resolutions on the unemployment crisis in the Commonwealth

"Whereas, there is an unemployment crisis in this Commonwealth; and

"Whereas, there is grave danger of the consequences that might follow if work is not provided; and

"Whereas, there is presently over 150,000 people unemployed in these stricken areas; and

"Whereas, the Congress of the United States must provide Federal aid to help those caught in these stricken, depressed areas; now, therefore, be it

"Resolved, That the President of the United States prepare a special message to the United States Congress to enact such legislation for a period sufficient to enable the Federal Government to develop effective alternative methods of aiding the stricken, depressed areas which would stimulate business and the economy by providing Government work; and be it further

"Resolved, That copies of these resolutions be transmitted forthwith by the clerk of the Senate to the President of the United States, to the Secretary of Commerce, to the presiding officers of each branch of the Congress, and to the members thereof from the Commonwealth of Massachusetts."

Assembly Joint Resolution No. 76 adopted by the Legislature of the State of California; to the Committee on Post Office and Civil Service:

"ASSEMBLY JOINT RESOLUTION NO. 76

"Assembly Joint Resolution No. 76—Relative to federal employee pensions

"Whereas, While California law severely limits annual cost-of-living adjustments of the pensions of retired public employees, the pensions of retired federal employees are adjusted by the full cost of living plus an additional 1 percent; and

"Whereas, It has been estimated that the federal adjustments will cost 400 billion dollars over the retirement life of current and retired federal employees; now, therefore, be it

"Resolved by the Assembly and Senate of the State of California, jointly, That the Legislature of the State of California respectfully memorializes the President and the Congress of the United States to repeal the provisions of federal law which provide for retired federal employees to have their pensions annually adjusted by an additional 1 percent above the increase in cost of living and to rebate the savings to the states as a special revenue-sharing program for state and local public employee retirement cost-of-living adjustments; and be it further

"Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

A resolution adopted by the Korean-American Community in Southern California relating to recent events in the demilitarized zone between North and South Korea; to the Committee on Foreign Relations.

A resolution adopted by the Board of County Commissioners of Sumter County, Fla., relating to relocation plans of the Seaboard Coastline Railroad; to the Committee on Commerce.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CANNON, from the Committee on Commerce: With an amendment:

S. 910. A bill to amend the Federal Aviation Act of 1958 to permit the temporary operation of certain aircraft without emergency locator transmitters (title amendment) (Rept. No. 94–1209).

By Mr. RANDOLPH, from the Committee on Public Works:

S. Res. 537. An original resolution authorizing increased allotment for consultants for the Committee on Public Works. Referred to the Committee on Rules and Administration.

By Mr. INOUYE, from the Select Committee on Intelligence:

S. Res. 538. An original resolution authorizing supplemental expenditures by the Select Committee on Intelligence. Referred to the Committee on Rules and Administration.

By Mr. CANNON, from the Committee on Rules and Administration:

With an amendment:

S. 2135. A bill to authorize the construction and maintenance of the General Draza Mihailovich Monument in Washington, D.C., in recognition of the role he played in saving the lives of approximately 500 U.S. airmen in Yugoslavia during World War II (Rept. No. 94–1210).

S. 2946. A bill to amend the act of July 2, 1940, as amended, to remove the limit on appropriations (Rept. No. 94–1211).

Without amendment:

S. Res. 531. A resolution authorizing the printing of additional copies of the committee print entitled "Farm and Food Policy—1977" (Rept. No. 94–1212).

H. Con. Res. 513. A concurrent resolution providing for the printing of a compilation of materials commemorating the years of service of Justice William O. Douglas (Rept. No. 94–1213).

H. Con. Res. 592. A concurrent resolution authorizing the printing of 2,000 copies of a Joint Committee on Atomic Energy print entitled "Review of National Breeder Reactor Program" (Rept. No. 94–1214).

H. Con. Res. 629. A concurrent resolution providing for the printing of a document entitled "The Working Congress" (Rept. No. 94–1215).

H. Con. Res. 641. A concurrent resolution to provide for the printing of additional copies of a report of the Subcommittee on Health and Long-Term Care of the Select Committee on Aging of the House of Representatives (Rept. No. 94–1216).

H. Con. Res. 655. A concurrent resolution providing for the printing of the publication entitled "Summary of Veterans' Legislation Reported, 94th Congress" (Rept. No. 94–1217).

H. Con. Res. 682. A concurrent resolution to authorize the printing of a booklet entitled "Black Americans in Congress" (Rept. No. 94–1218).

H. Con. Res. 688. A concurrent resolution authorizing the printing of the folder "The United States Capitol" as a House document (Rept. No. 94–1219).

S. Con. Res. 201. An original concurrent resolution authorizing the printing of the prayers of the Chaplain of the Senate during the 94th Congress as a Senate document (Rept. 94–1220).

S. Res. 539. An original resolution to pay a gratuity to Madeline H. O'Brien.

S. Res. 540. An original resolution to pay a gratuity to Elizabeth W. Young.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. MAGNUSON, from the Committee on Commerce:

Margareta E. White, of Virginia, and Joseph R. Fogarty, of Rhode Island, to be members of the Federal Communications Commission.

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

By Mr. SPARKMAN, from the Committee on Foreign Relations, without reservation:

Exec. J, 94th Congress, second session. Fifth International Tin Agreement, formulated by a conference of governments which met in Geneva, Switzerland, on June 21, 1975, and open for signature at the United Nations Headquarters from July 1, 1975, through April 30, 1976 (Exec. Rept. No. 94–37).

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that today, September 8, 1976, he presented to the President of the United States the enrolled bill (S. 217) to repeal the act of May 10, 1926 (44 Stat. 498), relating to the condemnation of certain lands of the Pueblo Indians in the State of New Mexico.

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. FONG:

S. 3794. A bill to authorize a study of Hilo Bay, Hawaii; and

S. 3795. A bill to authorize a study of Kailua-Kona, Hawaii. Referred to the Committee on Public Works.

By Mr. MATHIAS:

S. 3796. A bill to amend the District of Columbia Police and Firemen's Salary Act of 1958 to provide for the same cost-of-living adjustments in the basic compensation of officers and members of the U.S. Park Police force as are given to Federal employees under the General Schedule and to require submittal of a report on the feasibility and desirability of codifying the laws relating to the U.S. Park Police force. Referred to the Committee on the District of Columbia.

By Mr. KENNEDY (for himself and Mr. STEVENS):

S. 3797. A bill to establish a program to revitalize the U.S. commercial fishing industry. Referred to the Committee on Commerce.

By Mr. MATHIAS:

S. 3798. A bill to amend title 5, United States Code, to provide special allowances to certain physicians employed by the United States in order to enhance the recruitment and retention of such physicians. Referred to the Committee on Post Office and Civil Service.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. MATHIAS:

S. 3796. A bill to amend the District of Columbia Police and Firemen's Salary Act of 1958 to provide for the same cost-of-living adjustments in the basic compensation of officers and members of the U.S. Park Police force as are given to Federal employees under the General Schedule and to require submittal of a report on the feasibility and desirability of codifying the laws relating to the U.S. Park Police force. Referred to the Committee on the District of Columbia.

Mr. MATHIAS. Mr. President, prior to 1974 Congress adopted salary increases for the Metropolitan Police Department in the District of Columbia and these increases were extended to the U.S. Park Police. When we adopted the District of Columbia Home Rule Act (P.L. 93–198), a procedure was established for negotiation of pay increases for the metropolitan police by the mayor, subject to final action by the District of Columbia City Council. No specific action was taken to separate the pay scales of the U.S. Park Police from those of the metropolitan police. As a result, pay rates for Federal employees under the jurisdiction of the Department of Interior are now effectively established by the locally elected officials in the District of Columbia.

Under the procedures established by the Home Rule Act, the unions representing the metropolitan police and District of Columbia firefighters engage in negotiations with the city for salary increases. The U.S. Park Police are, however, not represented in these negotiations. Therefore, we now have a situation where Federal employees not only have their salaries determined by local municipal officials, but without representation for those Federal employees in the negotiation process.

The responsibilities of the U.S. Park Police are primarily to protect the visitors who come from all across the Nation to visit our national monuments. While most of the U.S. Park Police serve in the National Capital area, they are also assigned to protect certain Federal properties in seven other States including New York, New Jersey, California, Utah, Texas, Iowa, and Massachusetts. Of the 461 sworn officers in the U.S. Park Police, 104 are assigned to locations entirely outside of the National Capital region. It is simply an anomaly that the salary levels for these men and women who serve Federal Government are tied to local budgetary decisions in the District of Columbia.

The legislation I am introducing today is a companion bill to H.R. 15276 that is pending in the House. This bill would put the officers of the U.S. Park Police force under the Federal pay comparability system and direct the Secretary of Interior to submit a report within 1 year on the feasibility of codifying provisions relating to the Park Police in the United States Code.

Since 1791, the Park Police have been on duty in the Federal parks establishing an outstanding record of service to the entire Nation. I am hopeful that this bill can receive favorable consideration prior to the end of this session, and I urge our colleagues to give attention to the needs of the U.S. Park Police.

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. 3796

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

PURPOSE

SECTION 1. The purpose of this Act is to insure that officers and members of the United States Park Police force are entitled to adjustments in basic compensation in the same overall percentage as are other Federal employees within the General Schedule under the Federal pay comparability system.

ADJUSTMENTS IN BASIC COMPENSATION OF OFFICERS AND MEMBERS OF THE PARK POLICE FORCE

SEC. 2. Section 501 of the District of Columbia Police and Firemen's Salary Act of 1958 (D.C. Code, sec. 4–833) is amended—

(1) by striking out "The rates" and inserting in lieu thereof "(a) Except as provided in subsections (b) and (c), the rates", and

(2) by adding at the end thereof the following new subsections:

"(b)(1) Effective at the beginning of the first applicable pay period commencing on or after the first day of the month in which an adjustment takes effect under section 5305 of title 5, United States Code, in the rates of pay under the General Schedule, the annual rate of basic compensation of officers and members of the United States Park Police force shall be adjusted by the Secretary of the Interior by an amount (rounded to the next highest multiple of $5) equal to the percentage of such annual rate of pay which corresponds to the overall percentage (as set forth in the applicable report transmitted to the Congress under such section 5305) of the adjustment made in the rates of pay under the General Schedule.

"(2) No adjustment in the annual rate of basic compensation of such officers and members may be made except in accordance with paragraph (1).

"(c) Any reference in any law to the salary schedule in section 101 of this Act with respect to officers and members of the United States Park Police force shall be considered to be a reference to such schedule as adjusted in accordance with subsection (b).".

REPORT ON THE FEASIBILITY OF CODIFYING LAWS RELATING TO THE PARK POLICE

SEC. 3. The Secretary of the Interior shall submit to Congress not later than one year after the date of enactment of this Act a report on the feasibility and desirability of enacting as a part of the United States Code those provisions concerning the powers, duties, functions, salaries, and benefits of officers and members of the United States Park Police force which presently are contained in several statutes and are compiled in the District of Columbia Code.

EFFECTIVE DATE

SEC. 4. The amendments made by this Act shall take effect on October 1, 1976.

By Mr. KENNEDY (for himself and Mr. STEVENS):

S. 3797. A bill to establish a program to revitalize the U.S. commercial fishing industry. Referred to the Committee on Commerce.

Mr. KENNEDY. Mr. President, this Congress made a significant commitment to the revitalization of the American fishing industry when it overwhelmingly passed legislation establishing an interim 200-mile fishing zone for the United States. That law has two principal aims: First, to protect the fish stocks jeopardized by the overfishing practices of foreign nations, and second, to insure for our domestic fishermen an opportunity to rebuild their own industry. The bill that I introduce today for myself and Senator STEVENS is the second step that Congress must take, using existing funds and an existing framework to assure

the revitalization of the American fishing industry.

The bill which we introduce today provides that 100 percent of tariffs on imported fish products and fines collected under the Fishing Conservation and Management Act of 1976 will be utilized by the regional councils set up to implement the 200-mile limit for grants, loans, and loan guarantees for fishermen in their region. At the present level of imports, this could mean over $3 million annually would be available to the New England Council for assistance to the fishing industry, in addition to a share of the fines resulting from violations of the 200-mile limit.

At the present time, 30 percent of tariffs collected on fish products imported into the United States are transferred into the Saltonstall-Kennedy fund which was intended by the Congress under the leadership of Senators Leverett Saltonstall and John F. Kennedy to be used primarily for increased marketing opportunities for American fish producers. Over the years, the original intent of the Congress has been ignored as these additional funds were used to replace the operating budget of the National Marine Fisheries Service. We fully intend to pursue full funding for the excellent programs administered by NMFS while we insure that the tariffs funds are used as originally intended to provide additional assistance to the fishing industry in the United States which has been devastated by the overfishing practices of foreign fishing nations.

The legislation we have drafted will assure that these funds collected on imported fish will go directly to the regional councils for those programs which have the highest priority for the renewal of the fishing industry in that area of the country. In New England, the replacing of old and inefficient vessels and equipment and the industry's ability to deal with spiraling insurance rates will undoubtedly be major concerns over the next several years as the industry begins to grow. The New England Regional Fisheries Management Council could determine to spend all of its resources available under this act to meet these problems.

Senator STEVENS and I are introducing this legislation during this session of Congress in order to give the fishermen all across this country an opportunity to review and comment on the bill and offer their suggestions for refining the legislation prior to its reintroduction in the next Congress. We will request public hearings on the bill early in the next Congress and hopefully the Senate will have an opportunity to act on the legislation by next spring.

Mr. President, I would like to say a few words about Senator STEVENS of Alaska, who cosponsors this legislation with me today. There is no greater champion of the American fisherman than TED STEVENS who spent a great deal of his time and energy over the last 3 years in securing congressional and White House approval of the interim 200-mile fishing limit. He has worked tirelessly for his Alaskan fishermen and fishermen in New England and all coastal regions of the United States. His assistant, Steve Perles, has worked with my staff for months in drafting and redrafting the bill we cosponsor today, and I am most grateful for his assistance.

Senator STEVENS and I recognize that the implementation of the 200-mile-limit fishing zone will not solve all the problems of the fishing industry. The legislation we cosponsor is the logical second step in the process of revitalizing America's oldest industry. We look forward to hearing from all our fishermen who helped us so much in perfecting the 200-mile-limit bill for their suggestions on this bill. I ask unanimous consent that the bill be printed in the RECORD.

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

S. 3797

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 "Kennedy-Stevens Commercial Fishing Industry Revitalization Act of 1976".

SEC. 2. FINDINGS

(a) The Congress finds and declares the following:

(1) The commercial fishing industry constitutes a major source of employment and contributes significantly to the welfare of the Nation, including that of the many coastal areas whose economies are highly dependent upon fishing.

(2) Competition from uncontrolled foreign overfishing off the coasts of the United States has severely retarded the growth of the United States fishing industry, by depleting the stocks of fish and creating an unfavorable investment climate. As a result of such fishing activity, the United States is not capable of efficiently harvesting many fisheries off the Nation's coasts.

(3) The Fishery Conservation and Management Act of 1976 provides for conservation and management of the fisheries, and proper supervision of foreign fishing activities, but direct Federal financial assistance is needed to modernize and improve the United States fishing fleet sufficiently to enable it to compete successfully with foreign fishing fleets and meet American requirements to displace foreign fleets from the fishery resources of the United States.

(b) It is therefore the purpose of the Congress in this Act to dedicate certain revenues to the revitalization of the United States fishing industry, so that United States fishermen can fully utilize all of the fishery resources of the nation.

SEC. 3. DEFINITIONS

As used in this Act:

(1) The term "aquaculture and hatchery facilities" means any facility used, or capable of being used, for—

(A) the culture or hubsandry of aquatic animals or plants by private industry for commercial purposes, or by public agencies, State, or local governments for scientific purposes; or

(B) the culture and growing of fish by private industry, public agencies, or a State or local government, for the purpose of creating or augmenting publicly owned and regulated stocks of fish in streams or rivers.

(2) The terms "Council" and "Regional Fishery Management Council" mean any of the Regional Fishery Management Councils established pursuant to section 302 of the Fishery Conservation and Management Act of 1976. The term "Councils" means all of the Regional Fishery Management Councils so established, considered collectively.

(3) The term "fully utilized", with respect to a fishery, means that the amount of fish harvested by United States fishermen is equal to the optimum yield of such fishery.

(4) The term "Fund" means the Fishing Industry Revitalization Fund established pursuant to section 2 of the Saltonstall-Kennedy Act, as amended (15 U.S.C. 713c-3).

(5) The term "optimum yield" has the meaning prescribed for such term in section 2 of the Fishery Conservation and Management Act of 1976.

(6) The term "Secretary" means the Secretary of Commerce.

(7) The term "unutilized", with respect to a fishery, means that United States fishermen do not harvest any of the stocks within such fishery.

(8) The term "underutilized", with respect to a fishery, means that United States fishermen harvest some, but less than the optimum yield of, the stocks within such fishery.

SEC. 4. AMENDMENT OF THE SALTONSTALL-KENNEDY ACT AND RELATED LEGISLATION

(a)(1) The Saltonstall-Kennedy Act (15 U.S.C. 713c-3) is amended to read as follows:

"SEC. 2. (a) There is appropriated for each fiscal year, beginning with the fiscal year commencing October 1, 1976, an amount equal to 100 percent of the gross receipts from duties collected under the customs laws on fishery products (including fish, shellfish, mollusks, crustacea, aquatic plants and animals and any products thereof, including processed and manufactured products) during the calendar year which includes the first day of the fiscal year involved. Such amounts shall be maintained in a separate fund in the Treasury of the United States to be known as the 'Fishing Industry Revitalization Fund'". All funds in the Fishing Industry Revitalization Fund shall be made available by the Secretary of Commerce to the Regional Fishery Management Councils established pursuant to title III of the Fishery Conservation and Management Act of 1976. Such Councils shall use such sums to carry out the Kennedy-Stevens Commercial Fishing Industry Revitalization Act of 1976 and for no other purpose.".

(b) There is further appropriated for each fiscal year, beginning with the fiscal year commencing October 1, 1976, an amount equal to the penalties, fines, and forfeitures assessed pursuant to section 308, 309, and 310 of the Fishery Conservation and Management Act of 1976 collected during the calendar year which includes the first day of the fiscal year involved. Such amounts shall be deposited and maintained in the Fishing Industry Revitalization Fund.

(2) The amendment made by paragraph (1) of this subsection shall take effect October 1, 1976.

(b) Section 32 of the Act of August 24, 1935 (7 U.S.C. 612c) is amended by striking out the period at the end of the first sentence and inserting in lieu thereof the following: "; except that, beginning with the fiscal year commencing October 1, 1976, the provisions of this section shall not apply to duties collected under such laws on fishery products (including fish, shellfish, mollusks, crustacea, aquatic plants and animals and any products thereof, including processed and manufactured products).".

(c) The amendments made by this section shall not be construed to indicate any intent on the part of the Congress to reduce the amounts of funds appropriated annually for the use of the National Marine Fisheries Service.

SEC. 5. ALLOTMENT OF FUNDS FOR COMMERCIAL FISHING INDUSTRY REVITALIZATION

The Secretary shall, for each fiscal year commencing on or after October 1, 1976, allot to each Council a proportion of the amount appropriated for such fiscal year pursuant to the Saltonstall-Kennedy Act (15 U.S.C. 713c-3). Each such allotment shall be determined in accordance with rules which the Secretary shall promulgate (and may thereafter revise) within 120 days after the date of en-

actment of this Act. Such rules shall provide that the amount of each Council's allotment under this section shall be based upon the Secretary's determination as to—

(1) the potential value of the fish which could be harvested by United States fishermen in any unutilized and underutilized fishery within the geographical area of authority of such Council; and

(2) the potential reduction in the per unit cost to United States fishermen of harvesting fish in any fully utilized fishery within the geographical area of authority of such Council.

Funds allotted to a Council under this section shall be used by such Council solely for purposes authorized by this Act, and no such funds may be used to pay any administrative expenses of such Council or of the Secretary except administrative expenses incurred directly in administering the provisions of this Act. Any unutilized portion of any such allotment shall remain available without fiscal year limitation. The allotments to the Councils under this section shall be in addition to and not in substitution for any other appropriations authorized for activities of the Councils, the National Oceanic and Atmospheric Administration, or any unit of such Administration.

SEC. 6. AUTHORITY OF THE REGIONAL FISHERY MANAGEMENT COUNCILS

(a) Each Council may provide financial assistance in the form of grants and loans, from funds allotted to it under section 5, such financial assistance shall be provided in accordance with this title for the sole purpose of carrying out approved programs or projects which are likely to increase the efficiency or otherwise improve the capability of United States commercial fishermen and of the United States commercial fishing industry to harvest, process, and market fish and fish products.

(b) The Secretary shall, subject to the provisions of subsection (c) and rules and regulations, guarantee, or enter into commitments to guarantee, the payment of interest on, and the principal amount of, any loan or other evidence of indebtedness the proceeds of which are used to carry out any program or project approved under subsection (a). In developing rules and regulations under this subsection, the Secretary shall, to the extent practicable, request the views of, or consult with the councils and appropriate persons knowledgeable or interested in the fishing industry including the Councils.

(c) (1) Loans or other evidences of indebtedness guaranteed under subsection (b) shall be guaranteed on such terms and conditions as the Secretary shall prescribe, except that—

(A) no guarante shall be made unless the indebtedness involved will be completely amortized within a reasonable period, not to exceed 30 years;

(B) no guarantee shall be made unless the Secretary determines that such loan or other evidences of indebtedness will—

(i) be issued only to investors who meet the requirements prescribed by the Secretary, or, if an offering to the public is contemplated, be underwritten upon terms and conditions approved by the Secretary;

(ii) bear interest at a rate found not to be excessive by the Secretary; and

(iii) contain, or be subject to, repayment, maturity, and other provisions which are satisfactory to the Secretary;

(C) the approval of the Secretary of the Treasury shall be required with respect to any such guarantee, unless the Secretary of the Treasury waives such approval; and

(2) The full faith and credit of the United States is pledged to the payment, under paragraph (5), of any default on any indebtedness guaranteed under subsection (b). Any such guarantee made by the Secretary shall be conclusive evidence of the eligibility of the obligation involved for such guarantee, and the validity of any such guarantee so made shall be incontestable in the hands of a holder of the guaranteed obligation, except for fraud or material misrepresentation on the part of the holder, or known to the holder at the time acquired.

(3) The Secretary shall prescribe and collect fees in connection with guarantees made under subsection (b). These fees may not exceed the amount which the Secretary estimates to be necessary to cover the administrative costs pertaining to such guarantees.

(4) The interest paid on any obligation which is guaranteed under this section and which is received by the purchaser thereof (or the purchaser's successor in interest), shall be included in gross income for the purpose of chapter 1 of the Internal Revenue Code of 1954.

(5) (A) Payments required to be made as a result of any guarantee made under subsection (b) shall be made by the Secretary from sums appropriated to the Fund or from moneys obtained from the Secretary of the Treasury pursuant to paragraph (6).

(B) If there is a default by any person receiving financial assistance in any payment of principal or interest due under a loan or other evidence of indebtedness guaranteed by the Secretary under subsection (b), any holder of such loan or other evidence of indebtedness may demand payment by the Secretary of the unpaid interest on and the unpaid principal of such obligation as they become due. The Secretary, after investigating the facts presented by the holder, shall pay to the holder the amount which is due such holder, unless the Secretary finds that there was no default by such person or that such default has been remedied.

(C) If the Secretary makes a payment to a holder under subparagraph (B), the Secretary shall—

(i) have all of the rights granted to the Secretary or the United States by law or by agreement with the obligor; and

(ii) be subrogated to all of the rights which were granted such holder, by law, assignment, or security agreement between such holder and the obligor.

The Secretary may accept, in complete or partial satisfaction of any such rights, a conveyance of property or interests therein. Any property so obtained by the Secretary may be completed, maintained, operated, held, rented, sold, or otherwise dealt with or disposed of on such terms or conditions as the Secretary prescribes or approves. If, in any case, the sum received through the sale of such property is greater than the amount paid to the holder under subparagraph (B) plus costs, the Secretary shall pay any such excess to the obligor.

(D) The Attorney General shall, upon the request of the Secretary, take such action as may be appropriate to enforce any right accruing to the Secretary or the United States as a result of the making of any guarantee under subsection (d) (2). Any sums received through any sale under subparagraph (C) or recovered pursuant to this subparagraph shall be paid into the fund.

(6) If the moneys available to the Secretary are not sufficient to pay any amount which the Secretary is obligated to pay under paragraph (5), the Secretary shall issue to the Secretary of the Treasury notes or other obligations (only to such extent and in such amount as may be provided for in appropriation Acts) in such forms and denominations, bearing such maturities, and subject to such terms and conditions as the Secretary of the Treasury prescribes. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury on the basis of the current average market yield on outstanding marketable obligations of the United States on comparable maturities during the month preceding the issuance of such notes or other obligations. Any sums received by the Secretary through such issuance shall be deposited in the Fund. The Secretary of the Treasury shall purchase any notes or other obligations issued under this paragraph, and for this purpose such Secretary may use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as now or hereafter in force. The purposes for which securities may be issued under that Act are extended to include any purchase of notes or other obligations issued under this paragraph. The Secretary of the Treasury may at any time sell any of the notes or other obligations so acquired under this paragraph. All redemptions, purchases, and sales of such notes or other obligations by the Secretary of the Treasury shall be treated as public debt transactions of the United States.

SEC. 7. ADJUSTMENT ASSISTANCE

If the Secretary, upon petition and after an investigation, finds that any person receiving financial assistance under section 6 is unable to meet such person's obligations pursuant to a loan or guarantee made under such section, the Secretary may take any of the following actions:

(A) Modify appropriately the terms and conditions of such loan or guarantee.

(B) Refinance such loan.

(C) Make a supplemental loan to such person the proceeds of which shall be applied to the payment of principal and interest due under such loan or guarantee.

(D) Make a grant to such person the proceeds of which shall be applied to the payment of principal and interest due under such loan or guarantee.

SEC. 8. APPROVAL OF ASSISTANCE FOR PROGRAMS AND PROJECTS

Any person (including a governmental entity) may apply for financial assistance under section 6 for any program or project which is likely to increase the efficiency or otherwise improve the capability of United States commercial fishermen, including the harvesting, processing, or marketing capability of the United States commercial fishing industry. Each application for such assistance shall be prepared in such form and shall include such content as the Secretary prescribes by regulation. Each such application shall be submitted and acted upon pursuant to the following provisions:

(1) The application shall be submitted to the appropriate Council.

(2) The Council involved shall refer the application to the appropriate committee or panel of such Council (established pursuant to section 302 of the Fishery Conservation and Management Act of 1976) for study, evaluation, and a recommendation as to whether the program or project described in such application should be approved, disapproved, or approved with specified modifications. Such committee or panel shall report thereon to such Council as soon as practicable after such referral.

(3) Upon receipt of a report prepared under paragraph (2), the Council involved shall consider such report and any other information and shall determine whether to approve the application involved, in whole or part. Each application so approved shall be submitted to the Secretary, with a recommendation that the Secretary approve the program or project therein described as approved by such Council.

(4) If the Secretary disapproves any proposed project or program submitted under paragraph (3) by a Council, the Secretary shall return the application involved to such Council together with the reasons for such disapproval.

(5) Upon receipt of any returned application under paragraph (4), the Council involved may—

(A) prepare a new program or project description correcting the deficiencies delineated by the Secretary and may resubmit such application as so redrafted to the Secretary

with a recommendation that it be approved by the Secretary; or

(B) request that the Secretary schedule a hearing, in accordance with section 553 of title 5, United States Code, following which the Secretary shall determine the validity of the program or project described in such application.

(6) The review of the Secretary under paragraph (4) or (5) shall be limited to determining whether or not the program or project involved is consistent with the purpose of this Act and not duplicative of any existing program or project.

SEC. 9. REGULATIONS GOVERNING PROGRAMS AND PROJECTS

The Secretary shall promulgate such regulations governing programs and projects carried out pursuant to this Act as the Secretary determines necessary to carry out the purpose of this Act and to project the financial interests of the United States. Such regulations shall include provisions for—

(1) such fiscal control and fund accounting procedures (by each Council and each recipient of assistance under sections 6 and 7) as may be necessary to assure proper disbursement of, and accounting for, such funds;

(2) such reports from each Council and recipient of assistance under sections 6 and 7, in such form and containing such information as the Secretary may reasonably require to determine the extent to which funds allotted and provided under this Act have been effective in carrying out the purpose of this Act; and

(3) such additional staff as the Councils need to carry out the purpose of this Act.

SEC. 10. STAFF AND ADMINISTRATION

Except as otherwise provided, the provisions of section 302(f) of the Fishery Conservation and Management Act of 1976 (relating to staff of, and administrative services for, the Councils in carrying out their functions under such Act) shall also apply to the functions of the Councils under this Act. The Secretary shall, by rule in accordance with section 553 of title 5, United States Code, authorize the Councils to employ, and shall compensate, such additional personnel thereof as are necessary and appropriate to carry out the functions of the Councils under this Act.

Mr. STEVENS. Mr. President, I thank my colleague Mr. KENNEDY for his kind words. He and I are today introducing a bill which I believe will be a landmark in the history of American commercial fishing. The proposed Kennedy-Stevens Act is a legislative proposal to revitalize the floundering American commercial fishing industry through the use of regionally controlled financial assistance funded from the import duties on fisheries products.

Over the last 20 years the increase in foreign fishing activity off the coast of the United States has decimated our stocks of commercial fish. Some 14 species are listed as depleted and a host of others are fully utilized by foreign fishermen. Destruction of the stocks off the U.S. coast naturally enough has lead to a decline in the investment climate for commercial fishing operations. In many parts of the country, such as my home State Alaska, foreign capital has been used to fill the void created by lack of investment from American sources. It is our hope that this legislation will act in part as an investment incentive for major sources of private sector American capital.

The efficiency of foreign fishing fleets is overwhelming—200- and 300-foot highly mechanized trawlers scour the ocean bottom for fish. These trawlers off-load their catch onto huge mother ships the size of oceanliners which process and freeze its produce. The nets of ocean-going foreign commercial fishing vessels often extend 10 miles in length. The technology employed by such vessels is highly sophisticated and the amount of investment capital required to reach such a state of the art is enormous.

In order for American fishermen to become competitive with foreign fishermen, they must learn to fish more efficiently. They must learn to employ new fishing techniques and must develop new types of fishing equipment and mechanized processing plants. At the present time, almost all of the private sector is unwilling to make the necessary investments in research and development and capital construction costs to meet this objective.

I believe that fishing, like so many other ocean industries, holds tremendous potential for the future. Last year, from the waters off my home State the Japanese, Soviets, and Koreans accumulatively harvested almost 3 billion pounds of pollock, a species of fish not harvested by Americans. The harvest of pollock could be a $100 million a year fishing industry. One of the primary purposes of this legislation is to enable American fishermen to develop the capacity to harvest, process, and market species such as pollock.

I wish to point out that this is not an industry subsidy bill. This legislation creates a fund, administered by the Secretary of Commerce, which the regional councils, created under the Fishery Conservation and Management Act of 1976, can draw upon for use in industry enhancement projects. These projects must improve either the capability of the United States to harvest, process, and market underutilized species, or increase U.S. efficiency in harvesting, processing, or marketing fully utilized species. Increasing the capacity of American fishermen to use the resources off the coast of the United States is the primary objective of this legislation. I am sure that the taxpayers will be happy to know that no general revenue funds will be used by this proposal. The fund created under this bill will be financed through the use of import taxes already levied on fisheries products and the fines and penalties levied against foreign fishermen violating fishery management regulations established under the Fishery Conservation and Management Act of 1976. Incidentally, last year the U.S. trade deficit in fisheries products was $1.5 billion.

The programs funded under this proposal would be in addition to and not in lieu of the excellent work currently conducted by the National Marine Fisheries Service. This legislative proposal would in no way diminish the need for broad national programs such as those carried out by the Fisheries Service and I intend to urge that programs carried out by that agency continue to be fully funded.

Mr. President, this legislation reflects the high quality of work which can result when Members from both sides of the aisle sit down in full cooperation with one another to work out legislative proposals on a bipartisan effort. It has been a pleasure for me and my staff to work with Senator KENNEDY and his people in the construction of this legislative proposal. I particularly would like to thank Mary Murtagh of Senator KENNEDY's staff for her tremendous assistance in the preparation of this bill.

Mr. President, I would urge each of my colleagues here in the Senate to support this legislation.

By Mr. MATHIAS:

S. 3798. A bill to amend title 5, United States Code, to provide special allowances to certain physicians employed by the United States in order to enhance the recruitment and retention of such physicians. Referred to the Committee on Post Office and Civil Service.

Mr. MATHIAS. Mr. President, attracting and retaining the best quality physicians in the U.S. civil service system is becoming increasingly difficult because physicians' salaries in the private sector are more lucrative than in the civil service. The executive pay scale limit has placed an arbitrarily low ceiling on salaries for doctors and dentists.

To remedy this situation, a variable incentive pay system was authorized by the Congress which provides bonus pay for most of the 39,400 physicians and dentists in the Federal Government. However, approximately 900 physicians and dentists—3 percent were not covered by the variable incentive pay system—VIP. My bill is addressed to this group and simply provides for the variable incentive pay so that they will be compensated at the same level as other physicians in the Federal service.

At present, as my colleagues know, the top salary of any general schedule civil servant can receive is $37,800. Without the ceiling, the GS pay schedule calls for rates up to $48,654 per year. When the variable incentive pay is added, the top salary can reach $51,726 for federally employed physicians.

Thus, for this small group of doctors and dentists outside the VIP, there is a difference in their salary of up to $13,926 compared with their federally employed counterparts.

These approximately 900 physicians who do not receive incentive pay are employed by the following agencies:

Foreign Service.
Federal Aviation Administration.
National Aeronautics and Space Administration.
U.S. Postal Service.
Commerce Department.
Interior Department.
Central Intelligence Agency.
Department of Defense.
Food and Drug Administration.
St. Elizabeths Hospital.
Library of Congress.
D.C. Health Services.
Public Health Service.
Labor Department.
National Security Agency.
Social Security Administration.
National Science Foundation.
National Institutes of Health.
National Institute of Occupational Safety and Health.
Drug Enforcement Administration.
Bureau of Engraving and Printing.
National Bureau of Standards.
Energy Research and Development Administration.
Tennessee Valley Administration.
Canal Zone.

The physicians employed are in positions ranging from staff physician to medical director and their tenure ranges from newly employed to 20 years of service.

Without the variable incentive pay system, the agencies I have mentioned will continue to have difficulty retaining, and particularly, attracting qualified medical personnel.

The obvious inequity of this situation was pointed up in an August 31, 1976, GAO report, which I quote:

We found cases where differences between systems caused some employees to transfer between systems in an agency. In one PHS installation we visited, seven GS physicians transferred to the commissioned corps during fiscal year 1975 in order to receive VIP. Other GS physicians, who reportedly would have switched, had previously switched from the commissioned corps to the GS prior to the implementation of VIP because the benefits of the GS system were better at that time.

We found numerous instances where physicians who were receiving VIP worked with physicians not receiving VIP because of ineligibility. This has caused bitterness among physicians and resulted in lawsuits being filed against the Federal government by those physicians not receive VIP.

The longer term findings and recommendations of the GAO report point out the need for one rather than three pay systems for federally employed physicians. It is my understanding that the Office of Management and Budget has agreed to submit such a comprehensive pay and benefits plan to the Congress in January of 1977. Until then, however, 3 percent of federally employed physicians continue to be treated unequally with regard to pay.

I ask for speedy consideration of this bill.

ADDITIONAL COSPONSORS

S. 3644

At the request of Mr. PEARSON, the Senator from Tennessee (Mr. BROCK) and the Senator from Iowa (Mr. CLARK) were added as cosponsors of S. 3644, to amend title XVIII of the Social Security Act.

S. 3782

At the request of Mr. LEAHY, the Senator from Vermont (Mr. STAFFORD) and the Senator from Maine (Mr. HATHAWAY) were added as cosponsors of S. 3782, a bill relating to fuel and energy needs of rural residents.

SENATE JOINT RESOLUTION 209

At the request of Mr. BENTSEN, the Senator from New Hampshire (Mr. McINTYRE), the Senator from Utah (Mr. GARN), and the Senator from New York (Mr. BUCKLEY) were added as cosponsors of Senate Joint Resolution 209, to designate Native American Awareness Week.

SENATE CONCURRENT RESOLUTION 201—ORIGINAL CONCURRENT RESOLUTION REPORTED AUTHORIZING PRINTING OF CHAPLAIN'S PRAYERS

(Placed on the Calendar.)

Mr. CANNON, from the Committee on Rules and Administration, reported the following concurrent resolution:

S. CON. RES. 201

Resolved by the Senate (the House of Representatives concurring), That there be printed with an appropriate illustration as a Senate document, the prayers by the Reverend Edward L. R. Elson, S.T.D., the Chaplain of the Senate, at the opening of the daily sessions of the Senate during the Ninety-fourth Congress, together with any other prayers offered by him during that period in his official capacity as Chaplain of the Senate; and that there be printed and bound two thousand additional copies of such document, of which one thousand and thirty shall be for the use of the Senate and nine hundred and seventy shall be for the use of the Joint Committee on Printing.

SEC. 2. The copy for the document authorized in section 1 shall be prepared under the direction of the Joint Committee on Printing.

SENATE RESOLUTION 535—SUBMISSION OF A RESOLUTION RELATING TO THE CONSIDERATION OF S. 3441

(Referred to the Committee on the Budget.)

Mr. JOHNSTON submitted the following resolution:

S. RES. 535

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to consideration of S. 3441. Such waiver is necessary because the Congressional Cemetery has had considerable and continuing deterioration which this bill hopes to halt by providing maintenance funds for two years (fiscal year 1977 and fiscal year 1978) at the end of which a National Park Service study, as required by this bill, will determine which Federal agency should be responsible for future operation and maintenance of the cemetery.

Mr. JOHNSTON. Mr. President, I submit a resolution pursuant to section 402(c) of the Congressional Budget Act of 1974 to waive the provisions of section 402(a) of that act with respect to S. 3441, legislation providing for a study by the National Park Service regarding future maintenance responsibility of the Congressional Cemetery, with an interim 2-year authorization for maintenance work to be performed by the Architect of the Capitol. The 2-year authorization will go a long way in halting further deterioration of the cemetery.

I ask unanimous consent that the resolution be referred directly to the Budget Committee without the necessity of being reported from the Interior Committee. The Committee on Interior and Insular Affairs, in considering S. 3441, recognized that further delays in initiating repairs will only be more costly and has, without dissent, recommended that this legislation be enacted.

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

SENATE RESOLUTION 536—SUBMISSION OF A RESOLUTION AUTHORIZING INTERVENTION BY THE SENATE IN THE CASE OF CLARK AGAINST VALEO

(Referred to the Committee on Rules and Administration.)

Mr. LONG (for himself, Mr. TALMADGE, Mr. RIBICOFF, and Mr. SPARKMAN) submitted the following resolution:

S. RES. 536

Whereas a civil action has been filed in the United States District Court for the District of Columbia challenging the constitutionality of provisions of the Federal Election Campaign Act of 1971;

Whereas the Department of Justice has been granted permission to intervene on behalf of the United States supporting the position that such provisions are unconstitutional;

Whereas Clark v. Valeo raises fundamenare unconstitutional could call into question the constitutionality of similar congressional review provisions in numerous other statutes;

Whereas a decision that such provisions are unconstitutional could impair the legislative powers under the Constitution of each Senator, of each Committee of the Senate, and of the United States Senate as a whole;

Whereas Clark v. Valeo raises fundamental issues concerning the separation of powers between the legislative and executive branches of government and the scope of Congressional power to enact legislation; and

Whereas the United States Senate has a duty and a responsibility to insure that its interests are fully represented before the Courts of the United States in Clark v. Valeo; Now, therefore, be it

Resolved that (a) the President pro tempore of the Senate is authorized to appoint a bipartisan committee of Senators to take the necessary steps to participate as an amicus curiae or to intervene as a party in Clark v. Valeo and to appear in the Courts of the United States on behalf of such intervening party. The bipartisan committee shall act on behalf of the Senate in conjunction with any committees of the Senate or Senators who may wish to participate in the litigation.

(b) The members of the bipartisan committee appointed under the first subsection shall be responsible for retaining counsel and for reviewing all charges for services rendered by outside counsel to the committee which may be paid by the Senate pursuant to this resolution.

(c) Any expenses incurred by the bipartisan committee pursuant to this resolution, including the expenses incurred by the Senate, Senate committees, or Senators as an amicus curiae or a party in the above mentioned litigation in printing records, briefs, and other necessary documents for the Courts of the United States, shall, be paid from the contingent fund of the Senate upon approval by the bipartisan committee on vouchers authorized and signed by the President pro tempore of the Senate.

(d) The Secretary of the Senate is directed to transmit a copy of this resolution to the United States District Court for the District of Columbia.

SENATE RESOLUTION 537—ORIGINAL RESOLUTION REPORTED AUTHORIZING INCREASED ALLOTMENT FOR THE COMMITTEE ON PUBLIC WORKS

(Referred to the Committee on Rules and Administration.)

Mr. RANDOLPH, from the Committee on Public Works, reported the following resolution:

S. RES. 537

Resolved, That section 2 of S. Res. 354, 2d session, 94th Congress, agreed to March 1st, 1976, is amended by striking "$5,000" and inserting in lieu thereof "$8,000".

SENATE RESOLUTION 538—ORIGINAL RESOLUTION REPORTED AUTHORIZING SUPPLEMENTAL EXPENDITURES BY THE SELECT COMMITTEE ON INTELLIGENCE

(Referred to the Committee on Rules and Administration.)

Mr. INOUYE, from the Select Committee on Intelligence, reported the following original resolution:

S. RES. 538

Resolved, That Section 15 of Senate Resolution 400, 94th Congress, agreed to May 19, 1976, is amended by striking out "$275,000" and inserting in lieu thereof "$1,175,000".

SENATE RESOLUTION 539 AND SENATE RESOLUTION 540—ORIGINAL RESOLUTIONS REPORTED TO PAY GRATUITIES

(Placed on the Calendar.)

Mr. CANNON, from the Committee on Rules and Administration, reported the following original resolutions:

S. RES. 539

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Madeline H. O'Brien, mother of Gail H. Perry, an employee of the Senate at the time of her death, a sum equal to five months' compensation at the rate she was receiving by law at the time of her death, said sum to be considered inclusive of funeral expenses and all other allowances.

S. RES. 540

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Elizabeth W. Young, widow of Robert B. Young, an employee of the Senate at the time of his death, a sum equal to one year's compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

AMENDMENTS SUBMITTED FOR PRINTING

EXCLUSIVE TERRITORIAL ARRANGEMENTS—S. 3421

AMENDMENTS NOS. 2278 AND 2279

(Ordered to be printed and to lie on the table.)

Mr. KENNEDY submitted two amendments intended to be proposed by him to the bill (S. 3421) to amend the Federal Trade Commission Act (15 U.S.C. 45) to provide that under certain circumstances exclusive territorial arrangements shall not be deemed unlawful.

NOTICE OF HEARING

Mr. HRUSKA. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Friday, September 17, 1976, at 9:30 a.m., in room 2228 Dirksen Senate Office Building, on the following nomination:

Glen M. Williams, of Virginia, to be U.S. district judge for the western district of Virginia, vice Ted Dalton, retiring.

Any persons desiring to offer testimony in regard to this nomination, 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 Mississippi (Mr. EASTLAND) chairman; the Senator from Arkansas (Mr. MCCLELLAN), and the Senator from Nebraska (Mr. HRUSKA).

FINAL SELECT COMMITTEE HEARINGS ON COMMITTEE REFORM

Mr. MANSFIELD. Mr. President, I direct the attention of Senators to the hearings scheduled for September 14 and 15 next Tuesday and Wednesday. These are the final hearings of the Select Committee to Study the Senate Committee System before it gives its report and recommendations on the structural organization of the committee system.

The subject of these hearings, and the report to be made by October 2, is the jurisdictions of committees, their numbers and sizes, and limitations on Senators' service on committees, along with closely related questions of bill referral procedures, scheduling, and leadership responsibilities.

Senator STEVENSON and Senator BROCK, the chairman and cochairman of the select committee, have sent to each Senator a detailed description of three models or starting points for organizing the committee system.

While the select committee has taken no votes as yet, Senators should be aware the record it has compiled thus far is overwhelmingly in support of major reform of the system. Therefore, it is likely the select committee will recommend such actions as:

Consolidating the Committees on Foreign Relations and Armed Services into a single Committee on National Security.

Consolidating jurisdictions to create a Committee on Energy.

Consolidate jurisdictions to create Committees on the Environment and on Transportation.

Eliminate select, special, and joint committees by consolidating their activities in standing committees.

Reduce the number of committees even further by consolidating the jurisdictions and activities of the present 31 committees into only 12 standing committees.

Establish severe restrictions on the number of subcommittees permitted, eliminating at least one-third of the present subcommittees.

Require all chairmen to give up their hairmanships after 4 or 6 years and rotate to another assignment.

Require all Senators to rotate in their committee assignments.

Limit each Senator to no more than two chairmanships—committee and subcommittee—at any time.

One might say, Mr. President, the select committee is required to conduct a zero-base review of each committee and of the committee system, in order to reduce fragmentation in policy development and wasteful duplication in committee and subcommittee activities.

Senators also should be aware of the procedure which may be followed for consideration of committee reforms such as those I have named as examples of matters under consideration. Senator STEVENSON informs me the select committee hopes to issue its recommendations on structural matters by October 2, urge the Committee on Rules and Administration to take any action it deems necessary by early January 1977, and ask the Senate to make committee reform the first order of business in January, before the Senate is permanently organized.

The Senate may not grant the procedural request nor agree with the select committee's recommendations.

Nevertheless, Senators have the right under the rules to move the consideration of committee reform and there may be substantial public support for substantial reforms of the sort I have cited as examples of recommendations now before the select committee.

I would hope Senators affected by these reorganization proposals will make their views known to the select committee in its hearings next week.

ADDITIONAL STATEMENTS

A PHILANTHROPIST'S CREED

Mr. JAVITS. Mr. President, I bring to your attention the remarks of one of my constituents, Mr. Charles Silver, who was honored on May 10, 1976, at the National Conference of Christians and Jews. He is the president of the Beth Israel Hospital Center in New York City and leads in many other philanthropies.

Mr. Silver has been identified with civic and philanthropic activities in New New York City for more than a quarter of a century and it is because of this that I share with my colleague some of his thoughts.

Mr. Silver remarked that the major civic responsibility for all of us is not just coping with each emergency but to plan for and to dream of the practical and the feasible schemes in which we can all live by in our society. He states:

> We are not the first or the last to be faced with such a necessity of proceeding on two planes of action—reality and reform for today, vision and revision for tomorrow. . . .

Mr. Silver also eloquently pledged his desire to take actions in order to fulfill some of these dreams and he urges others to do the same. Let me quote:

> To those who may feel that the times are too hard to endure and the problems too serious to overcome, I must stress that I for one cannot and will not accept an abdication of responsibility—not my own and not that of anyone in this room. Individually and collectively, we are among those responsible for what happens to New York and for the chain reaction that could follow—and we cannot escape that responsibility. During these trying and difficult times, you and I—or someone has to come up with a more creative performance. A demonstration of the magic of faith—or of inter-faith, a redoubling of efforts in order to assure that our obligations to the children, the old, the ill and the poor are fully met. . . . As we survey the moral and political background of our failing communities, there is a great deal to disturb us—a relentless onslaught against tradition, justice and decency. We need men and women of wisdom and judgement who realize that we have reached a moment in the destiny of cities when the clock of history will run out. The time is now—and we must learn the

truth—all the truth—and act upon it. . . . We must change the whole picture around. We must free our cities of bribery and self-interest. We must concern ourselves not merely with producing better products, better homes, and schools and hospitals—but, in every sense with providing a better life for every citizen. We can learn from the defects of all our yesterdays and the disappointments of today. We can build a better tomorrow—a richer more glorious tomorrow—the birth of a better world for all mankind."

TRIBUTE TO ROY WILKINS

Mr. INOUYE. Mr. President, because the distinguished Senator from California (Mr. TUNNEY) is necessarily absent from the Senate today, at his request, I ask unanimous consent that a statement by him in tribute to Roy Wilkins be printed in the RECORD.

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

TRIBUTE TO ROY WILKINS

STATEMENT OF SENATOR TUNNEY

On the occasion of the 75th birthday of Roy Wilkins, Executive Director of the National Association for the Advancement of Colored People, I would like to express my sense of unbounded admiration for a life devoted to the interests of Civil Rights and Equal Opportunity for all.

Over a period of 45 years—a full two-thirds of the total life-span of the NAACP—Roy Wilkins has served in the capacity of Chief Idea Man and guiding spirit for the goals and ideals of the Civil Rights movement in the United States.

Inaugurated in 1910, in the wake of the worst race riots and lynching sprees in our National history, the NAACP operated for many years under the combined White and Black leadership of Oswald Garrison Villard and W. E. B. DuBois.

From its inception, the NAACP has been an interracial body designed to champion full economic, civil and legal rights for Black Americans. From its inception it has investigated lynchings and violations of Civil Rights, encouraged Black Americans to exercise their political power, maintained a speakers' bureau, and assembled information on Black participation in, and benefits from, public tax money.

As its work became better organized, the NAACP was extended by the establishment of many local branches and Dr. DuBois was sent abroad to combat the conservative arguments of Booker T. Washington, the leading Black opponent of Civil Rights reform. In its earliest endeavors, the NAACP won court victories in 1915 and 1917 against laws and practices aimed against the voting rights and social rights of Black Americans.

When an NAACP branch was organized in St. Paul, Minnesota, it found a willing worker in Roy Wilkins, a young newspaperman and a graduate of the State University. Upon moving from Minnesota to Missouri in 1923, to take a position as managing editor of the Kansas City *Call*, Wilkins maintained his NAACP membership, becoming secretary of the Kansas City Branch. In 1931 he left the *Call* to serve as Assistant Secretary of the NAACP, under the tutelage of the longtime Executive Secretary, Walter White.

Nor was there anything soft or safe about this high-sounding appointment. In his first assignment as Assistant Secretary, Roy Wilkins was dispatched on a field trip with another NAACP official to investigate charges of unjust and discriminating treatment of Black workers on a flood control project in Mississippi. Working as day laborers, at all times in danger of discovery and assault by State authorities, they discovered that Blacks on the project were grossly underpaid and overworked. On the basis of their report the NAACP was able to bring Congressional action to improve the situation, obtaining a substantial increase in the wages of the Black workers involved.

In 1934 Roy Wilkins succeeded W. E. B. Dubois as editor of the NAACP newspaper, *The Crisis*. He continued to serve as Assistant Secretary of the Association and to travel on its behalf, speaking before clubs, forums, college groups, associations, and conventions on various aspects of race relations. His writings appeared in pamphlet form as well as in *The Crisis*. In 1943 he was sent by the NAACP to Philadelphia to represent the interests of Black transit workers whose promotions to the position of motormen had prompted a strike by White motormen. After six days the strike ended, with the White workers returning to work and the Black workers keeping their jobs. In the light of more recent developments in the field of American race relations, this particular battle and its result may seem of slight overall consequence. At the time, however, it was regarded as of burning significance to the future of Black employment rights, and the part played by Roy Wilkins was generally acknowledged to be considerable.

With the gradual growth of Civil Rights support among the influential politicians of the land, the NAACP was accorded respectful recognition by the Roosevelt administration, which called upon Roy Wilkins, Walter White, and W. E. B. Dubois to serve as consultants to the American delegation involved in the initial actions of the United Nations, in 1945.

With the close of World War II, Wilkins launched a furious personal campaign, as editor of *The Crisis* and as a pamphleteer, to call to the National attention the absurdity of denouncing the Axis powers for their promotion of racial bigotry abroad, while at the same time permitting such bigotry to prevail in the United States under the full protection of the law. For so doing, Wilkins was of course denounced by some Conservatives as a menace to the National stability.

In June 1949, when Walter White was granted a year's leave of absence from his duties as NAACP Executive Secretary, Roy Wilkins was named his replacement, in an acting capacity. When Walter White returned, in 1950, Roy Wilkins assumed the office of Administrator. When Walter White passed on, in 1955, Roy Wilkins replaced him as Executive Secretary.

In the years of Roy Wilkins' leadership, the NAACP has experienced unprecedented success and unprecedented criticism. Having hammered at the doors of Justice for almost half a century, the NAACP lawyers were finally successful with the coming of the Warren Court and belated National recognition of the rightness of their cause. The stunning 1954 Supreme Court decision in the case of *Brown* v. *Board of Education* was a product of the NAACP campaign, as were so many subsequent Court decisions, sweeping aside the outrage of compulsory racial segregation.

In the wake of these decisions came many benefits—economic and social—to many Black Americans, but not to all; and to those who failed to benefit from the Supreme Court's revolutionary actions, the Civil Rights crusade began to take on the appearance of a false prophesy. The Black Power movement, suggesting violence and frequently employing it, now joined the Conservatives in denouncing Roy Wilkins and the NAACP. For all he had done, for all he had accomplished for the Black Americans, he found himself, at one point, assailed right and left as an "Uncle Tom" for refusing, in the manner of the Black Power spokesman, to curse the white race in and of itself, and to urge his people on to violence.

Roy Wilkins, who never quailed before the threats of the Ku Klux Klan or the intimidation tactics of Southern State officials, has proven equally fearless of the Black Power crusade. Never ceasing his demands for continued extension of Black employment opportunity—and warning the Country of the dangers inherent in the failure to heed all such demands—he has nonetheless rejected, with scornful language, the racist arguments of the Black Power faction, describing it as nothing better than "reverse Mississippi, a reverse Hitler, a reverse Ku Klux Klan."

Under Roy Wilkins' authority, the NAACP membership has risen from 240,000 to 440,000. As of today, the organization is represented in every center of the Black American population. Its instruments are still the law, the courts, lobbying techniques, propaganda, the protest meeting, and the picket line, all of which are universally recognized as bona-fide tools of democratic persuasion. No other Civil Rights organization comes near the NAACP in strength or influence and its growth and success are in large part directly traceable to the work of the remarkable Roy Wilkins, whom I proudly salute on this occasion.

NUCLEAR PROLIFERATION—TIME TO ACT

Mr. PERCY. Mr. President, the world has recently become aware of reports that Taiwan is secretly reprocessing spent nuclear reactor fuel into weapons-usable plutonium. If this is indeed the case—and we do not have definite confirmation—it represents one of the most significant turning points in the history of international nonproliferation efforts. Quite simply, such reprocessing would represent the first known violation of the Nuclear Non-Proliferation Treaty, NPT, and a circumvention of International Atomic Energy Agency safeguards. Although it is generally recognized that the NPT and current IAEA safeguards are not a lasting solution to the proliferation problem, they are the mainstays of the existing international structure to insure that peaceful nuclear power is not misused to build atomic arsenals.

In the past, the United States has been reluctant to take decisive action on proliferation. We did not react strongly to the 1974 Indian explosion, and managed to overlook the fact that U.S. heavy water was in all probability used for that device. Similarly, we did not talk seriously with West Germany and France prior to their sales of reprocessing and enrichment technology to Brazil and Pakistan. If we are indecisive once again with regard to the alleged Taiwan violation the message will be quite clear—the United States is not deeply concerned about proliferation, and nonweapons states can proceed to make bombs with impunity.

Press reports on this disturbing Taiwan report have been placed in the RECORD by several of my colleagues. I ask unanimous consent that this chronicle be supplemented with an editorial entitled "Taiwan's A-bomb," which appeared in yesterday's New York Times.

As I have noted above, the Taiwan issue is an important test of international resolve to halt proliferation. However, much more needs to be done to place truly effective controls on sensitive nuclear technology, and the United States can play a crucial leadership role in this effort. The administration will soon release the results of a major review of U.S. nonproliferation policies, and I

look forward to studying that document. However, Congress can and must express its own will on this vital aspect of U.S. foreign policy. Legislation (S. 1439) is scheduled for Senate action on September 16 which would provide a vehicle for prompt consideration of this issue.

Of particular interest is a substitute amendment embodying the text of S. 3770—a major nonproliferation proposal introduced by Senators PASTORE, RIBICOFF, SYMINGTON, GLENN, JAVITS, BAKER, and myself which has received the overwhelming support of the Senate Foreign Relations Committee. The best procedure would be for the Joint Committee on Atomic Energy to take immediate action on this legislation, making its recommendations available for Senate consideration and reporting a bill to the House prior to the House Rules Committee deadline of September 10. In the absence of this, the Senate should at least act immediately on the aforementioned Pastore substitute.

Mr. President, I ask unanimous consent that the editorial from yesterday's New York Times be printed in the RECORD.

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

TAIWAN'S A-BOMB

The American intelligence report that Taiwan clandestinely has built a reprocessing facility that is extracting weapons-grade plutonium explosive from spent nuclear reactor fuel rods demands immediate investigation by the appropriate Congressional committees. Taiwan's denials have not impressed Washington insiders.

If the Chinese Nationalists have set out to make atomic bombs in the first known violation of the Nuclear Nonproliferation Treaty (NPT)—and have succeeded in deceiving the inspection system of the International Atomic Energy Agency—a profound reappraisal will be needed for Washington's China policy, its nonproliferation strategy and its nuclear export controls.

Under the 100-nation NPT, Taiwan and other nonnuclear weapons states renounced atomic explosives and committed themselves to place all their nuclear facilities and materials under I.A.E.A. "safeguards"—a system of international inspection. The main supplier countries, in addition, later agreed that the export of fissionable materials or key nuclear facility components would be indicated to the I.A.E.A. to trigger safeguards.

If this system has been circumvented by Taiwan or ignored by some supplier countries, may not other NPT parties be evading controls as well? Speedy action to beef up and improve I.A.E.A. inspection and supplier controls clearly is vital.

The effort to avoid nuclear spread has focused recently on tightened up export controls by the main supplier countries, but the United States has failed in the most important task: to obtain the agreement of West Germany and France to an embargo on export of reprocessing plants in the wake of their sales of such plants to Brazil and Pakistan last year, claiming that I.A.E.A. safeguards make such sales "safe."

The Taiwan fiasco blows up that French-German thesis. It reinforces Congressional arguments for legislation that would call on the President to deny American nuclear materials ultimately to supplier as well as recipient nations that could not be prevailed upon to cooperate in halting the spread of plutonium reprocessing.

That vital legislation is currently bogged down in the Joint Atomic Energy Committee. A belated White House study of the problem, due for release this week, will be an exercise in futility unless it helps break this log-jam.

Meanwhile, the Congress ought to find out why the Administration, after refusing since 1969 to sell Taiwan a reprocessing plant, did not react more vigorously against Taiwan's open importation and assembly of the components for a "hot cell" for small-scale plutonium reprocessing. That so-called "laboratory project," which Taipei put under I.A.E.A. inspection, may simply have been a cover for the assembly of a clandestine facility.

SPECIAL PROBLEMS OF ELDERLY WOMEN IN RURAL AMERICA

Mr. CLARK. Mr. President, the Senate Special Committee on Aging conducted 3 days of hearings last month in Iowa, Nebraska, and South Dakota on the problems of the rural elderly.

During the hearings, which I chaired, we heard testimony from a number of residents of the area, and this information will be helpful to the committee in its work to improve the lives of the millions of elderly persons living in small towns and on farms.

Rural health problems are even more acute for elderly women, who outnumber men among the Nation's older residents. One of the persons who prepared testimony for the Aging Committee hearings was Donna Davis, of the Hawkeye Valley Area Agency on Aging in Waterloo, who cooperated with Peg Anderson, president of the Iowa Women's Political Caucus, in writing an informative paper outlining the special problems of rural women.

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

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

[Testimony prepared by Donna Davis, Hawkeye Valley Area Agency on Aging in cooperation with Peg Anderson, Chair, Iowa Women's Political Caucus]

PROBLEMS OF OLDER WOMEN IN RURAL AREAS

INCOME

First, the rural or small town older woman's problems start with the fact that she is female and therefore likely to be one of those who are or become the poorest of the old, themselves poor in much higher numbers than their proportion of the population. It's double jeopardy being old and female.

For example: using 1970 census data from selected counties in Northeast Iowa, we find that even in one of the richest rural counties, 20.2% of the older population was below the poverty level. When we look at the age distribution of that "rich" county's poor, we find that more than a third (34%) are 65 or older.

We know that most of these are women, because: (1) women are a higher percentage of the senior population in general; (2) the rate at which females outnumber males increases as they go toward later old age; (3) because poverty intrudes on those who live long (medical costs, etc.); (4) the poorer aged are often those who live alone and women are 65% or more of that group; and (5) because cultural and economic factors all her life have made the woman's earning (and access to a good Social Security pension) considerably lower than a man's.

These women and others now 65 and older have generally been brought up to a higher dollar income, thanks to S.S.I. (Supplemental Security Income). But before we reassure ourselves with that and turn away, let's see what that new income level is: Under July 1, 1976 rules for S.S.I., the maximum a person can have as income is $2,144 per year, plus Medicaid and Food Stamps. That still doesn't put them above the "poverty line" in 1976.

This brings us to some recommendations we'd like to make today, regarding Federal programs designed to help low income older persons. Many of these are available to you, Senators, and to the public in an outstanding report by the Federal Council on the Aging, called "The Interrelationships of Benefit Programs for the Elderly," published in December of 1975.

Participation of older rural females in "means-test" Federal programs is not as good as it could be. Although we do not yet have actual hard figures on this, the experience of the staff and volunteers of the Hawkeye Valley Agency on Aging shows that many older rural persons who are probably eligible for Federal benefit programs requiring a means test do not participate. To prevent this in the future, the attitudes, culture and education levels of older rural and small town people should be considered in the development, improvement, and administration of benefit programs. Do not make it demeaning, threatening or complicated to apply for and get deserved benefits.

(1) We recommend more uniformity in eligibility policies and application procedures, realism in benefits and in assets exclusion (adjust both to the cost of living; currently, S.S.I. benefits are up, but with property revaluations up and asset limits the same as when the program started, some people could be disqualified without any real income gains to justify it).

(2) We recommend that programs should not penalize people for trying to be more independent and supplement their Social Security incomes with earnings; such a system hurts most the rural poorer person who doesn't have an "excluded" additional pension (frequently, the rural older woman).

(3) In consideration of the physical and psychological accessibility of various application centers for the several Federal benefit programs, we recommend the serious consideration of single-point application centers for all programs, located in each county.

(4) Recognizing the culture of small town life, we urge that publicly identifiable stigmas be removed from Federal benefit programs designed for low-income persons. (We hear reports every week of older women who, despite their need and full information about the program, will not take Food Stamps, because "everyone in town will know" that they are poor.)

(5) Even more effort should be made by administrators of benefit programs to simplify and clarify information on programs. Specifically, this means: write brochures, speeches, correspondence in plain, easy English. Print information and application materials in large print, not only because of eyesight problems of some older people but also because research has shown that easy-to-see information is more likely to be read by anyone. (Has anyone here ever had trouble reading and understanding a Social Security letter or pamphlet?)

(6) Eliminate policies of benefit reduction rates (such as those for Veterans and Dependents benefits) that actually reduce benefits more than 100% of the value of the increased monies (whether that money comes from working or from another Federal program, such as increases in Social Security payments).

(7) Correct the discrimination against aged widows whose husbands' birthdates were before 1912.

Finally, we recommend amending the Employee Retirement Security Act (1974) which still allows a worker to "opt out" of automatic survivor benefits for a spouse, without the consent or knowledge of the spouse (read: "wife"). And study the actual economic and social effects of discouraging survivor benefits for the usually longer-lived female.

HEALTH

Older rural people as a group have poorer health care than older urban people, probably for two reasons: First, less access to health care in the immediate area made lifelong preventive health care difficult and impractical. Second, the already high cost of medical care (out-of-pocket expenses for health care are higher now than before Medicare) is compounded by the cost, not only of getting to the city or big town but also by the proliferation of specialized health care practitioners needed to treat the "whole person".

Medical and health care costs are high for all older people (but proportionally higher for the poorer older woman who outlives a meager or even an adequate income). Medicare doesn't cover the costs of long-term, chronic conditions; it is these that often deplete even the moderately healthy retirement income.

What is needed for the rural and small town older person (who, you understand, is usually a female) is access to low cost health care of a preventive type (such as health screenings) or for care of chronic health problems. That health care screening should include tests that meet important health care needs of older women: nutritional histories and analyses and Pap smears, as well as the usual blood, urine, and other screening tests provided in such clinics.

We know that the need for, and participation in, health screening or well-elderly clinics would be great in rural counties, based on reports of pilot project programs being run in Iowa right now; but they need to be more widespread. The recent opening of a donation-only community clinic, composed of volunteer physicians and nurses, in Waterloo brought calls and inquiries from many in small towns and rural areas in the surrounding counties; county Councils on Aging are talking about the need in their own counties. The known need is acute; the hidden need is no doubt much greater.

TRANSPORTATION

Like income, transportation affects almost everything else of significance in the lives of older rural and small town women, and here especially the fact of being female has had a profound effect.

In the generation which is now the 65-and-older age group in Iowa, there are a great many women who don't drive, not because of lack of money, but because of a sex-bias in their generation that discouraged either their learning to do so or their continuing the practice once it was learned. These moderate-income older women then join the substantial number of less well off (or physically unable) older women and men who need and use transportation services for the elderly in their counties.

The issue of how to provide transportation services to older people in rural areas has been much debated in Iowa. Mass transit approaches waste resources, due to excessive "dead head" or "down time" of large vehicles going empty over long country routes, and high operating, maintenance and depreciation costs. The recommendation we would make, then, is that the Federal and State governments should provide more funds to aging programs to continue and expand urgently needed rural transportation for older persons and should focus on the use and development of networks of locally-based volunteer drivers who are reimbursed for mileage and maintenance. This system is best equipped to provide door-to-door, on-demand escort and transportation services needed by older and often infirm users of the service.

HOUSING

In 1975, across America, housing costs equalled 35% of an older person's income on the average. At the same time, people under 65 spent only 23% of their incomes on housing.

Home ownership is the main asset of rural older persons, outside of their Social Security pensions. And yet, in 1973, 60% of all substandard housing was located in rural areas; older people occupied one-fourth of these, a proportion far higher than their portion of the population.

So the question arises: Should we try to maintain and/or bring up to standard the housing of older women in rural and small town areas? Or should more moderate and low-rent housing for older people be sought for these counties?

It is important to recognize the expense and difficulty of selling a large (or small) older home in a low-density population area where the economy is not booming and no "market" for housing exists. Solutions in these cases might include alternatives which do not require selling the home. These include funding handyperson services to assist in the maintenance of the home of an older person or in the adaptation of that home to physical disabilities of the resident. Title III Older Americans Act funds have made this kind of program available to more and more rural older women. Major repair and winterizing efforts, administered by the Community Service Administration programs (formerly, Community Action Programs), in rural counties, have helped a portion of the lowest-income older population. It should be noted here that Farmers Home Administration low-interest loan programs to upgrade sub-standard rural and small town homes of elderly have not been widely utilized by eligible persons. One reason for this is the fear of incurring any debt in the face of low fixed or declining resources.

Moderate income housing through Farmers Home Administration loans to community sponsors have been popular in Iowa. However, increasingly we hear older women saying that the rents on these are too high for many of them. Rent subsidized housing for older people would better meet the need. Requirements that at least 50 units of housing be built at a time has discouraged the establishing of these H.U.D. 202, Section 8 housing projects in rural areas. But, a solution is available. Rural counties can join together to set up a regional housing authority, as has already been done in southwest Iowa, to sponsor new-construction rent-subsidized housing.

A final comment on housing: new projects designed for the benefit of older persons should be located as much as possible in a location that mixes the older residents with neighbors of other ages. Too often Area Agency on Aging staff hear the comment, "I live here among only the old, the sick and the dying. It makes me feel bad." The health consequences of this self-image can be powerful and negative.

SENIOR CENTERS

Income loss affects not only access to necessities but also the amount of social involvement and interaction a person can engage in. Friendships, one of the best things in life, may be free in and of themselves, but the activities which friends share often cost some money.

There is an appetite for social life in the small towns and rural areas that generates a better turn-out to social events than in the big cities. Senior citizens gatherings in small communities in Iowa—a monthly potluck or dinner, or a daily Title VII Nutrition Site meal—draw good crowds. We are not sure what the real reasons are but certainly the evidence is clear that such events and places, offering as they do the companionship, group involvement, and an opportunity for volunteer work and cooperation, are much valued. Rural areas seem to show a great obvious need for senior centers and a high probable use of such facilities. Indeed, where already developed, they provide the ideal place for a single-point information and service center that has so long been missing from the rural resident's life.

STRICT SAFEGUARDS NEEDED IF CONGRESS IS TO APPROVE SALE OF SIDEWINDER MISSILES AND MAVERICK BOMBS TO SAUDI ARABIA

Mr. CASE. Mr. President, the proposed sale of Sidewinder air-to-air missiles and Maverick TV-guided bombs to Saudi Arabia is deeply disturbing, not only because of the numbers but also because of the lack of proper procedures and safeguards.

The numbers add to the danger that Saudi Arabia is stockpiling weapons excessive to its actual defense needs. Saudi Arabia, of course, is entitled to seek the weapons needed to her legitimate self-defense requirements.

But the latest proposals—without strict safeguards—can make it only more difficult for Saudi Arabia to resist pressures to let the missiles and smart bombs be used for offensive purposes, either by her own armed forces or by her allies.

Congress should not approve the proposed sale of hundreds of Sidewinder missiles, Maverick bombs, and TOW antitank missiles unless firm steps are taken to insure that the weapons will not be improperly used.

The executive branch must provide assurances as follows:

First. Training on these weapons must be limited to Saudi Arabian military personnel. Other foreign nations must not be trained on any of these U.S. made weapons, whether by U.S. military or contractor personnel or by Saudi Arabian and other instructors. Such training is illegal under the Foreign Military Sales Act. The law must be strictly adhered to. There have been reliable reports that Egyptian pilots have trained on Saudi Arabian F–5 aircraft, which carry the Sidewinders and Mavericks. Before gaining congressional approval of additional arms sales, administration officials must agree to make it clear to Saudi Arabia and our own nationals stationed there that this is illegal and violations will be cause to cut off arms shipments.

Second. Saudi Arabia must not use U.S. equipment and arms for military exercises with other Arab countries that are unrelated to legitimate Saudi Arabian defensive requirements. For example, Saudi Arabia last year took part in joint military exercises with Syria and Jordan involving coordinated military operations using Saudi Arabia's American-built F–5 aircraft. These exercises provided training for Saudi Air Force operations from foreign bases useful for possible action against Israel. American military and civilian contractor personnel assisted this exercise. Congress needs assurances that U.S. equipment will not be used again in such exercises and that U.S. personnel will not assist them.

Third. There must be no transfer to other nations of the weapons sold to Saudi Arabia. If the present proposed sales are to be approved, the administration must inform the Saudis in advance that it will not allow transfers to other countries without prior con-

gressional approval as well as the currently required Presidential approval. We also need an agreement on how the equipment will be stored.

Fourth. An agreement that the proceeds from foreign arms sales must not be used as a means of financing new procurement of even more advanced weapons by the U.S. Armed Forces. Such practices, now prevalent, give our Department of Defense and our individual military services a vested interest in selling off old military stocks to get newer items for themselves. This practice undermines efforts to control the arms race. Proceeds made on foreign military sales ought to go back to the Treasury. Congress, through the normal procedures, should approve all weapons procurement programs directly.

These concerns and the problems which arose in the shaping of the arms sales package to Saudi Arabia show the need for changes in the procedures used in selling arms on such a massive scale to developing nations.

There must be a more thorough preliminary review of such proposed arms sales by the White House, the State Department, the Arms Control and Disarmament Agency, and Congress before potential buyers are led to believe they have a commitment.

In particular, no foreign government should be allowed to feel it has a commitment on specific weapons or numbers before there have been full consultations with Congress. We must end the cycle of disputes stemming from a fixation with figures. We cannot allow a repetition of situations in which it is claimed that the dignity of the potential purchasing country or the honor of the United States is at stake if the sale of a particular number or type of weapon is questioned or even rejected by Congress.

I ask unanimous consent to have printed in the RECORD an editorial from the Washington Post of September 7, which points out some of the realities of the American political system which foreign arms purchasers should understand.

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

A CONGRESSIONAL TEST ON ARMS SALES

Rising apprehension over the sale of American arms abroad lends special significance to the hearing that a Senate subcommittee has scheduled on the proposed $3.8 billion sale of sophisticated F-16 jet fighters to Iran. For Iran two years ago got from the oil-price increases revenues finally commensurate with its military ambitions. It has since been buying arms with a kind of drunken fervor.

The admnistration has been coasting on the premise that Iran's good will in oil, diplomacy and strategy—not to speak of the billions in proceeds from the sales—is sufficient cause to continue this extraordinary supply relationship. If officials have pondered what Iran's larger purposes might be, or what risks the United States might be taking by sponsoring Iran's arsenal and providing the thousands of technicians to make it work, they have kept their puzzlement to themselves. There are reports that in addition to some $10 billion worth of military hardware and services already sold, Secretary of State Kissinger discussed another whopping package on his recent trip to Tehe-

ran. The new F-16 item is apparently a part of it.

Just this year, in belated response to just such apparent arms orgies, Congress enacted legislation giving itself new powers, to review executive-sponsored commercial arms sales. This is the category in which the huge deals with Iran, and the Arabs, are made. Previously, legislators had tended to limit their concern to the now relatively smaller category of deals in which the U.S. government plays a financial part. It is under the new legislation, which gives Congress 30 days in which to disapprove a sale, that the Senate foreign relations aid subcommittee is preparing a hearing on the F-16s.

The time is relatively short in which the Congress can draft an intelligent questionnaire. Any useful inquiry, for instance, must go beyond hand-wringing into exploration of the whole broad range of policies, commitments and interests of which this projected sale is but one part. It is rather like trying to shoe a running horse. Yet the beast must be slowed and the effort made, if the Congress is to exercise in practice the powers and responsibilities it is so eager to claim in theory. This is an important test.

Characteristically, the administration, having removed the restraints from its arms sales to the oil-happy states in greater or lesser degree, is muttering in dark dismay now that the Congress is finally trying to catch up. Rather than concede earlier fault, the administration complains that the Congress is rudely butting in. It's true. But there's no choice. In a runaway situation, restoring policy to the kind of reasonable standard which will command an informed Washington-wide consensus is tough going. It not only requires a blending of complex policy factors. It also forces a confrontation of institutions, as the one attempts to share power in an area which the other is accustomed to regarding as its private preserve. That is why the F-16 hearing, which touches just one arms deal among many that the administration has in train, cannot be the end of the road.

Like other foreign governments, Iran is troubled to find that it must deal increasingly with several often competing sources of power in Washington. It feels it entered in good faith into a relationship with the appropriate American authority, and it is tempted to question the motives as well as the judgment of the party now trying to get into the act. One almost begins to pity poor Iran, and poor Saudi Arabia, which is in the Sidewinder missile market, or would like to be, in a big way—and poor Who's Next. But there is a larger moral to all this. The executive must be readier to share its power with Congress. The Congress, in turn, must accept the broader "executive" context in which decisions on particular arms deals must be made. And even the foreign buyers accustomed to working within the frame of a rigidly authoritarian government (as most of our arms buyers tend to be) will have to take into account the fact that when they are doing business with the United States, they are dealing with a free-wheeling political system that cannot always guarantee a final, authoritative, and irreversible answer.

WELFARE REFORM

Mr. RIBICOFF. Mr. President, yesterday the transcript of a roundtable discussion concerning welfare reform was printed in the CONGRESSIONAL RECORD. I believe that discussion was interesting for the varied views of the welfare reform problem which it offered.

After that roundtable discussion, an audience of those active in, interested in, or expert in various aspects of the welfare reform issue addressed questions to those of us on the panel. These questions were further indicative of the range of views on the topic. I believe that the questions and the discussion they stimulated are useful in considering a coherent approach to this problem.

I ask unanimous consent that the transcript of the second half of the welfare roundtable be printed in the RECORD.

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

TRANSCRIPT

Mr. BORK. Thank you very much. We have concluded the first part of our program, and the panel is now open to questions from members of the press and the audience.

JAMES MILLER, assistant director of the Council on Wage and Price Stability. As I recollect, the New Jersey experiment was planned to be a decisive test of the feasibility and desirability of the negative income tax. Yet, I gather from the discussion tonight that the results of this test, and those in Denver and Seattle, have been inconclusive. Would the panelists give their views on the reasons why the experiments failed to give reliable answers and on the degree to which they showed that a negative income tax does not reach its objectives?

DEAN COHEN. My own view is that the various experiments were useful in indicating some of the problems that are involved. However, until we have experiments that cover large numbers of people under realistic conditions—where they will lose their welfare check, knowing that they will go off, or go on, in terms of a real situation—we will not be able to deduce the impact on working incentives and on entry and withdrawal of secondary workers in the labor market.

Second, I believe that we need to experiment with different kinds of income disregards. The one in the present law is $30 a month plus one-third of earned income. Well, I think we ought to experiment with $40 and 40 percent, and $50 and 50 percent, and other variations to see what impact they have on different levels of assistance. That has not really been done under the existing experiments.

Mr. BORK. Dean Cohen, maybe you ought to explain what an "income disregard" is.

DEAN COHEN. Well, an income disregard, or a work incentive, refers to the amount of the work income of a welfare recipient that is subtracted from his or her welfare check. Under the present situation, two-thirds of earnings is subtracted; and people think that that practice, to some extent, acts as a disincentive to continue to work. Most of the negative income tax plans have proposed a work incentive, or income disregard, of 50 percent. Well, first, that immediately makes it more costly for people to go out to work. In my opinion, the pilot programs have not ascertained whether 40 percent or 50 percent or 60 percent is the right figure in relation to different levels of income.

So I wholeheartedly support the senator's proposal for realistic experiments involving people on welfare to determine who will go out to work under various levels of payment and various work incentives. We could then use the results to write general legislation.

I might add that I also favor experimenting with different incentives in different states. I would amend the present law, which provides for one work incentive for all fifty states, to allow different states to experiment with different levels. We might learn something from that.

Mr. BORK. I gather that Dr. MacAvoy believes that we know more about the negative income tax than Dean Cohen thinks.

Dr. MACAVOY. Dean Cohen's criticisms of these sample experiments would hold, I believe, for almost every sample survey that we make—of consumer expenditures, investment in plant and equipment, future outlays—

Mr. BORK. Well, does that mean that they are all equally invalid?

Dr. MACAVOY. No. It means that they're all equally valid. We're continually faced with a trade-off of larger expenditures in order to obtain larger samples against the careful design of a small-scale experiment that keeps costs down while still yielding valid results. The smaller the sample, the more likely it is that the results will be subject to error.

Mr. BORK. Can you give us any idea of the magnitude of the disincentive to work in these negative income tax programs?

Dr. MACAVOY. In the experiments done so far, criticisms like Dean Cohen's have been made of the sample size. I do not believe that a statistician would take those criticisms seriously. Of course, obtaining a valid inference from any one of these short-term experiments is hazardous, in terms of knowing what a specific individual would do if he received a payment on a negative income tax scheme versus payments from various welfare programs. However, we now have several experiments and can make inferences about how groups will behave.

Mr. BORK. But I take it that you believe that these experiments have taught us something. Could you give any idea what they show about the likely loss to the labor force if we were to adopt a negative income tax scheme nationally?

Dr. MACAVOY. You would not see the loss to the labor force in a sudden change in the labor force statistics. The effects of shifting to a negative income tax scheme would be seen in the outlays needed to cover hundreds of thousands more people than are currently assisted, who would receive an annual income of, say, $4,000 or $5,000, so that billions of dollars of additional outlay could go to those who otherwise would have worked more hours or weeks during the year. We're talking about transferring, through a government expenditure scheme, perhaps Mr. Cohen's $15 billion, perhaps $20 billion, and perhaps more.

Mr. BORK. It's a cost problem, and not a loss of national efficiency.

Dr. MACAVOY. I believe that it's fair to say that what comes out of these experiments is both that costs would rise and that work effort would fall. My point is that the change would be gradual as people learn about the new programs and adjust to the new incentives. The experiments put the burden of proof on those who suggest that a great deal more information will flow from large-scale, statewide experiments requiring much greater outlays.

STEPHEN TONSOR, University of Michigan. Senator Ribicoff and Dean Cohen, you have spoken eloquently as advocates of the poor, if albeit professionally, and I think the focus of the meeting this evening has been on the poor. What in your opinion is the impact of these programs on the policy as a whole? Do you see any evidence that they have contributed to the demoralization of political life in the United States, that many people in the United States view these programs with hostility and perceive them as political failures?

Senator RIBICOFF. You come from the state of Michigan, where the unemployment rate is over 12 percent. How are people who don't have skills, or ability, or education going to get a job when people who have the skills and competence can't get a job? I think this is a compassionate country. If a person is disabled, if a person is incompetent, if a person must have someone to take care of him, do you throw him into Lake Michigan and forget he exists? What are you going to do with the poor person in Detroit who can't get a job?

Professor TONSOR. Well, Senator Ribicoff, I would remind you of the massive alienation of the public from politicians who have managed to use welfare as a ploy for political advancement.

Senator RIBICOFF. Professor, I think you know very little about politics, and I'll tell you why. Every politician knows that the people who don't vote are the poor and the black. They are not registered; they drift. They don't vote because they don't care. The people who vote in large numbers are the middle class. And that is why politicians play up to people like you as against the poor and black who don't vote.

Congressman CONABLE. We've been talking about incentives here. In this country, the top 80 percent of our economic spectrum is on an incentive system, and the bottom 20 percent is on a disincentive system to some degree. It's interesting that the kinds of figures that have been bandied about up here imply a welfare plan that might increase the incentives for the bottom 20 percent, but would reduce them for the top 80 percent because of the increased taxes that would be needed to pay for it. Somehow, we must keep the program under enough control so that the average American will find it economically feasible for him to support it.

LESLIE LENKOWSKI, Smith Richardson Foundation. In his response to the previous question, Senator Ribicoff touched upon what I think is the main issue of welfare reform.

Prior to 1964, as the employment rolls went up, the welfare rolls always went down. After 1964, the employment rolls went up, but the welfare rolls also went up, very steeply, reaching about 3 million families about 1971 or 1972. As employment worsened after that, the welfare rolls stayed pretty much the same. In other words, it seems that the recent history of AFDC suggests that changes in national employment make very little difference to welfare enrollment. The question is, have we got a culture of dependency that may, indeed, be due to the AFDC program, and is your faith that better employment would reduce the rolls valid in view of history?

Senator RIBICOFF. I would say, sir, it's a combination. First, as Wilbur pointed out, when you're talking about AFDC, you are basically talking about women with children. If women are going to work, there must be some place to put those children. If a mother has a child of three or four and has to take care of it, obviously she can't work.

Perhaps what is needed is more family-planning programs so that women like that will have fewer illegitimate children. It's a factor of social deterioration. Our society does have flaws, and this is one of them. Again, you have the question: What does society do with a mother who is eighteen or nineteen years of age and has two or three illegitimate children? This is a great dilemma for a civilized society based upon the Judeo-Christian concept; and it is a dilemma that we are unwilling to face. It's easy to talk about welfare bums, but what would you do with that individual mother, and that individual innocent child who didn't ask to be brought into the world? Are you going to let him starve? Are you going to throw him into the gutter or trash heap?

BARRY CHISWICK, staff, Council of Economic Advisers. One of the issues that's raised is cashing out the in-kind programs—for example, converting the food stamp program into dollars, eliminating housing subsidies and giving the money in dollars rather than through housing vouchers. You have talked about combining these programs into a cash negative income tax, and the discussion of this scheme generally hinges around one program, one structure of benefits. The objections to this are twofold: one is the very large cost involved in covering all families under one structure, and the other is the problem of incentive effects. My question is: Since there are different demographic groups—the aged, AFDC-type families, intact families—who would respond differently to work incentives, would the panelists consider a negative income tax in which the structure of benefits was tailored to such demographic differences?

DEAN COHEN. That's exactly why I'd like to see some experiments that perhaps varied the work incentive in relation to different demographic and social conditions.

We talk very glibly about work incentives, but we know very little about them. Thousands of people on welfare have worked even when their welfare payments were reduced one dollar for each dollar of earnings. Economically, it didn't make sense; yet they went to work anyway. Why? I think it was because there are other work incentives beyond strictly economic ones. There is pride in working, for one thing. We don't know what a given work incentive, or one of different magnitudes, would do under different kinds of economic conditions. You have made a good suggestion. I think the senator and I would like to see how it worked out, in actual practice, in various regions, and in urban and rural areas of the country.

Senator RIBICOFF. That's a good commonsense approach you have, sir.

Dr. MACAVOY. Let me add that Mr. Chiswick's question is brilliant, and just what one would expect from a senior staff member on the Council of Economic Advisers. [Laughter.]

Senator RIBICOFF. Why doesn't an idea like yours ever percolate through your bosses up to the President? [Laughter.]

Dr. MACAVOY. It just percolated, but I am picturing an IRS form that requires a woman to check off a certain box depending on her demographic category, marital status, whether her husband is at home, or lives down the street, or hasn't been seen for years—a whole set of boxes of that nature. That would be a complication worth having in the IRS form: your tax schedule would depend on the box checked.

But then what is the IRS man going to do? Is he going to find out, in any definitive way, whether she checked the right box or just the box with the lowest tax schedule or the highest negative tax schedule?

Mr. BORK. You'd have to have an audit system with high penalties.

Dr. MACAVOY. High penalties would mean that you'd have an audit system with extremely high administrative costs. Mr. Chiswick, you answer this question: How would you do it? [Laughter.]

DEAN COHEN. I can tell you how. The IRS would employ social workers.

RITA RICARDO CAMPBELL, Hoover Institution, Stanford, California. I've enjoyed listening to the five gentlemen on the platform and Barry Chiswick in the audience discussing the important problems of demography and taxation, because two-thirds of the long-run actuarial imbalance of the social security system stems from the demographic changes. Barry really asked my question, but the answers he received, I believe, are inadequate. They do not discuss the major issues. Women engage in household activities for which they are not paid—that is, day care of children within the home, cooking, cleaning—and the value of these services is *not* in the gross national product. But when these services are performed by others than the homemaker and mother, they are paid for and are in the gross national product. Women's labor supply is, therefore, far more sensitive to their rate of anticipated earnings than men's labor supply. Women move in and out of the labor force more readily than men. If you are going to devise different systems for men and women and if then you are also going to have different categories for women—depending on whether the husband is there in the home (at least on the day when the welfare worker comes), whether the woman is a single head of household but happens to have two children, whom she wishes to take care of herself or prefers to work and use a day care center—you will be weaving a very tangled web and still not solve the problem of the woman, a single parent, who has children to support and no other adult in her home, as might have been true in the past, to take care of her children. I'd like to hear you elaborate on these lines.

Mr. BORK. I think Congressman Conable has a point that is raised by both of these last two questions.

Congressman CONABLE. The only point I want to make is that somebody in Congress would raise the issue of privacy at some point. We are tugged in so many directions in this complicated society that it's fairly certain the sensitivities of the average American would be outraged by any poking and prying of this sort. That would likely become almost the dominant issue in any effort to reconstitute a system along such rational lines based on full information.

ROBERT WEINTRAUB, staff, House Banking and Currency Committee. All of you seem to agree that the present system involves a large bureaucracy. It excludes some deserving people, and it includes people with lots of assets and others who may be undeserving.

Let's suppose that we simply extended the present tax system to include a negative income tax, in the Friedman manner. Do you believe this would (a) involve a smaller or larger bureaucracy, (b) exclude more or fewer deserving people, (c) include more or fewer undeserving people? And if your answers are, "Smaller, fewer, and fewer," or two of those three, why don't you go for a negative income tax system? [Laughter.]

Senator RIBICOFF. Frankly, I don't know. That's why I would like to pilot that out. I would not, ever, vote for a negative income tax for the entire country as a substitute for the present welfare system. But I would like to see it tried in a couple of states.

Dr. MACAVOY. I would respond, "None of the above, the same, and more for the following reasons which will take me ten minutes to enumerate." [Laughter.]

Mr. BORK. On television, this program is going to be as comprehensible as an income tax form. [Laughter.]

Dr. MACAVOY. If we were to use Dr. Weintraub's technique, we would be replacing the HEW division that deals with specific programs with an enlarged Internal Revenue Service, whereby checks would be sent to those who had such low levels of income that, under the tax code, they would get payments rather than pay taxes. This negative income tax scheme would require a larger bureaucracy and a more complex surveillance system to try to find those who have no income than we have with an IRS that seeks out those who have large incomes and are not paying taxes. Perhaps this is what Senator Ribicoff was saying—that it's very difficult to envision the construction of that new bureaucracy in IRS. But I believe there would be one, and it would raise the problem that Representative Conable has raised about privacy.

Second, we have the matter of whether a negative income tax would cover more deserving people. I believe AFDC and other programs—Medicaid, food stamps, and so on—are doing a good job in reaching deserving people. They are also reaching substantial parts of the population that might not be covered if the justification for these programs were strictly applied. Ten percent of those who receive food stamps have incomes roughly of $10,000 a year or more. That seems to me to be a little high. [Laughter.]

Third, given the general scope of an IRS form and the inability to differentiate well in a national negative income tax scheme, I believe more of the undeserving would receive the negative income tax than now receive welfare. So that's why I gave those three answers at the original point in this long answer.

PAUL FELDMAN, Public Research Institute. You gentlemen have been carrying on as if all we needed to do is discover a better welfare system, and then we'd immediately adopt it. But it's been a very long time since we've seen any government programs dispensed with. Professor MacAvoy has had some experience trying to do away with the Civil Aeronautics Board and several other regulatory agencies, and he hasn't yet managed it. Do you really believe that it would be possible to do away with many of these programs that you've been talking about if the cost was a reduction in benefits to some recipients and in jobs to some welfare workers?

Mr. BORK. I think that question is tailored for you, congressman.

Congressman CONABLE. I wish to note that one of the Senate's leading liberals has demonstrated tonight that he is quite conservative about change. And I think that makes an important point: government is a terribly conservative institution, and change comes with great difficulty.

Change with respect to a part of the government program as sensitive as welfare would obviously entail a great many labor pains, because of the sensitivities involved, because of the high visibility of the welfare system generally, and because of all the backlash that would come from the many people who would think the work ethic was being tampered with. There's no question that the political difficulties would be very great. Substantial change is not going to come about until we get a Congress and a President working in concert, until there is a sufficient mandate from the public to get us over the threshold of conservatism that affects such institutions. It's not going to come about until there are many programs of the sort we are having tonight that sensitize people to the difficulties involved in those changes—the complexity of the current system, the conceptual errors in it, and the problems of expense and philosophy that must be grappled with.

So I think your question is entirely appropriate. Welfare reform is going to take time, it's going to take effort, and it's going to come only with a major national effort. We aren't going to be able to do it piecemeal, either, in any significant way.

HOWARD TUCKMAN, Department of Economics, Florida State University. In listening to the conversation tonight, I am reminded of the passages in Pat Moynihan's book about the difficulty of explaining the formula of the negative income tax, both to the Congress and to the public.[1] Now, we know that, come January, there will be a new administration. And there's a reasonable probability that somewhere in that new administration a negative income tax will be proposed. If the public is not educated on this matter, what is your guess about what would happen to a proposal for negative income tax?

Senator RIBICOFF. It would never pass.

Congressman CONABLE. We're quite capable of rejecting things quickly. [Laughter.]

Seriously, it's going to take a lot of groundwork, a lot of education, and a broad-based public perception of the need for change.

Dr. MACAVOY. Are you capable of taking up things before adequate preparation has taken place?

Senator RIBICOFF. We often do, but that isn't right.

Congressman CONABLE. Sometimes we're quite capable of not taking them up even after adequate preparation. [Laughter.]

Senator RIBICOFF. In answer to some of the questions this gentleman raises, this week the Committee on Government Operations, by a vote of seven to nothing, passed Senator Muskie's Zero Budgeting Act, which he called a "Sunset Bill." The bill provides that every program of the government must be reauthorized every five years. I expect to bring the bill out of committee this summer.

This proposal, if passed, would give us an opportunity to find out which programs work and which don't. The only way we could do that would be to have a real program evaluation—which is not done now, either in the executive branch or in Congress. Congress would then have to balance out what the situation would be with and without the program. Then it would have to accept the program, reject it, or come up with a substitute.

I think this is probably, prospectively, the greatest congressional reform since the Congressional Budget Act. I am confident that the Senate will pass it, but I don't know about the House. I would guess it will come out of the Government Operations Committee unanimously.

GERRY BRANNON, Georgetown University. I would like to ask Wilbur Cohen if he would comment on the fact that at present the food stamp plan seems to be structurally very good. It has a low marginal tax rate, it applies to the working poor, and so forth. One would almost think that the way to get to welfare reform would be gradually to increase the number of food stamps, then gradually make them bigger and greener, and finally put George Washington's picture on them. Then we could repeal the other programs.

DEAN COHEN. I do think the food stamp plan, and its extensive operation, has changed the entire nature of the welfare reform problem from what it was at the time of the family assistance proposal. It is much more difficult today than it was in 1970 and 1971 to talk about supplanting all the other programs with a negative income tax because the food stamp plan is now so extensive.

I don't believe, under present circumstances, that it is economically or politically acceptable to cash out the food stamp plan into any negative income tax that I know of. And that's very different from the situation in the early 1970s when the House and the Senate considered the family assistance plan. I think the food stamp plan represents an important development. I would only hope that, if we can get back to a period of full employment and if the food stamp plan could be narrowed down, it might be possible then to cash it out. But I must say, I am now very pessimistic about that. The food stamp plan is here, and it represents a very significant part of the total welfare picture. That makes cashing it out into a negative income tax much more difficult today than it would have been five years ago.

Congressman CONABLE. It's interesting, in the light of Wilbur's remarks, to consider that the food stamp program is the one part of the welfare system that is likely to be reformed in the near future. There is a great deal of public discontent with it. One of the reasons is that virtually 40 million people are now eligible for food stamps, and the average American thinks that any welfare program for which so many people are eligible must have something conceptually wrong with it and must be potentially so expensive that the country can't carry it. So regardless of whether you think it's a good plan conceptually, it's under a great deal of political pressure now. Most people accept that it is going to be reformed in some way.

PHIL LYONS, staff, House Budget Committee. My question is, what provision do you think should be made in welfare reform for the individual's desire to work? In other words, what consideration, if any, should be given to qualifying the person for receipt of a benefit depending on whether he made an honest-to-goodness effort to work?

DEAN COHEN. That gets back to the problem I posed of how to deal with women who are heads of families. The question you ask is really based upon the expectation that the male head of family is the primary worker, an expectation that makes the question easy to handle. But what work are you

[1] Editor's note: Daniel Patrick Moynihan, Politics of a Guaranteed Income: The Nixon Administration and the Family Assistance Plan (New York: Random House, 1973).

going to offer at what wages to a woman who has three children, when the decision of whether she should stay home with her children or go to work is one which ultimately, in our society, she and not a government agency must make?

Mr. BORK. In these programs, do we have any instances in which even the male head of the family is subjected to a test such as is proposed?

DEAN COHEN. In general, under our present program, the male member of the family is subjected to a work test. But as Senator Ribicoff said earlier, when there are no real jobs available in an area, that work test is very unreal. So I think that you'd have to pose that question for a full-employment economy. And it might well be answered in much the same way as we do in connection with unemployment insurance in terms of what is "suitable work."

Now, my answer to your basic question involves another proposal that we haven't discussed here and that I think has some merit. We could break this problem into two parts. First, there are the employable people, to whom we could apply the kind of work test and concepts that exist in unemployment insurance; these are mainly males, but also women who have no children under the age of six, or eight, or whatever age you want to set. Second, we would use the existing welfare program for the rest, and let them make their own choices about working or not. That would be one of the things that I would test out in selected states. I think there's a lot of merit to it, but I don't know whether it would work or not.

Dr. MACAVOY. There's an additional element that Mr. Cohen has discussed before: once the opportunity for work is there, in a well-constructed program, how much of the additional income from work are you going to take away by reducing welfare payments? Now, I believe we all desire to provide not only the opportunity, but also the incentive to work for those who are capable. That means we must take away very little of the income they would earn. On the other hand, if we do, the total amount of income received from welfare and work could be very substantial. I don't see how that trade-off can be made.

Mr. BORK. We're going to have trouble with it, I think. But we have already discussed that.

JOHN TODD, Department of Health, Education, and Welfare. I work in the office that oversees the income maintenance experiments—which *do* have variable guarantees and tax rates. And, incidentally, we don't have final results from Seattle and Denver yet.

But my question concerns another matter. Everyone, with the possible exception of Dr. MacAvoy, seems to agree that the present distribution of benefits is inequitable—that the moneys that are currently flowing, at least from the federal Treasury and perhaps from state and local governments, are not distributed in the best way. Yet, there also seems to be wide agreement that a negative income tax would have a large price tag; very large numbers—$15 billion to $30 billion—have been mentioned. What would be your reaction to a more modestly priced negative income tax that, through the elimination of several in-kind programs and the utilization of longer accounting periods and asset periods, could in effect reshuffle much of the present money in a manner that would be, by your lights, more equitable?

DEAN COHEN. Let me make two comments on that, because I think a lot of people, even if they have different views, will agree with me on this point. I don't think that we can solve that problem until Medicaid no longer has to deal with the issue of eligibility. In other words, you've got to solve the so-called notch problem—

Mr. BORK. Not all of us understand the notch problem.

DEAN COHEN. Let me put it very simply: it is the difficult problem of a person's becoming *eligible* under the negative income tax program, but becoming ineligible under the Medicaid program and thus losing more valuable medical benefits when he becomes eligible for relatively smaller income benefits.

Let me answer Mr. Todd's question this way: I don't think that his suggestion of a more modest negative income tax is realistically feasible under the present circumstance, because the lower we make the payments, the more we would have to have supplementation, either mandatory or voluntary, in California, Michigan, and New York; and we'd still confront the same problem of disparities.

Senator RIBICOFF. I'd like to ask Mr. Todd the same question I asked of Mr. Chiswick. When you have an idea like this, how do you get it up to the secretary of HEW? Does anybody listen to you? Whether the idea is good or not, I'm just curious about how, in the bureaucracy of the government, do young men like you bring your good ideas to the surface.

DEAN COHEN. Abe, when we were there, we used to have an open-door policy. They used to come to see us with their ideas.

Mr. TODD. Well, I can speak, for example, of Secretary Weinberger, with whose management I have had more experience, and who, I think it's commonly known, supported the type of program I'm suggesting. I don't pretend that he did it solely on the basis of my urging. The program received mixed reviews, and the political climate existing at the time, plus budgetary considerations, led to an official postponement of the consideration of that idea. But I don't believe it's fair to say that it did not receive a hearing; nor do I think it's fair to say that the idea did not receive a testing out by people in IRS and others looking at its administrative feasibility.

GEORGE MERRILL, staff, Senate Budget Committee. You've all been talking about the little welfare programs, such as AFDC and food stamps, but no one has mentioned the biggest program of all—the social security program, which accounts for 20 percent of the federal budget now. Do you think that social security should be examined in this overall context of welfare reform?

DEAN COHEN. My answer is no. That's not what we're talking about in welfare reform. The social security program needs to be reexamined and changed fundamentally, but it has basically nothing to do with the welfare reform question that we're discussing today.

Senator RIBICOFF. You pose a basic problem, and I give you a political answer. To try to change the social security program will lead to revolution.

Mr. BORK. In other words, Senator Ribicoff is not going to lose in New Hampshire in the next primary.

Dr. MACAVOY, Won't the Sunset Law terminate the social security program?

Senator RIBICOFF. No. The Sunset Law does not apply to trust funds, pensions, social security—to programs in which there is a long-term investment and benefits.

Dr. MACAVOY. You mean, there are already escape clauses.

Senator RIBICOFF. Well, it's altogether different. How are you going to terminate a retirement program that people have been paying into for decades with the expectation of receiving money back?

Mr. BORK. This concludes our Round Table discussion, presented by the American Enterprise Institute and the Hoover Institution. I want to thank our distinguished panelists for a lively discussion—Dr. MacAvoy, Representative Conable, Senator Ribicoff, and Dean Cohen—and also the experts, members of the press, and guests who were kind enough to participate. Thank you. [Applause.]

FEDERAL CROP INSURANCE ANNOUNCEMENT VIEWED WITH ALARM BY FARMERS

Mr. McGOVERN. Mr. President, in a letter to Congressmen and Senators dated August 31, the manager of the Federal Crop Insurance Corporation advised the South Dakota delegation that the "proper administration of the Federal crop insurance program requires that we cease accepting applications, as of this date, in the State of South Dakota." The effect of the announcement would allow only 1976 policyholders to be eligible for 1977 policies.

This announcement touches off the old line at the USDA about the right hand not knowing about the left hand. The Secretary himself, only a short time ago, recommended to the chairman of the Senate Agriculture Committee that the 1977 farm bill eliminate all disaster programs and replace them with expanded Federal crop insurance for major production commodities. Within a period of only several weeks, the very same agency the Secretary charged to expand its coverage has substantially retreated from the responsibilities the Secretary indicated he would seek to impose.

This creates an absolutely untenable situation in the farming community. I have just returned from a visit to the South Dakota State Fair in Huron, S. Dak. I can say that the Department of Agriculture has farmers so confused on regulations and programs that seem to change almost from day to day that they have no idea as to where they stand.

Our largest newspaper, the Sioux Falls Argus-Leader, chose to editorialize on the incongruous situation with respect to the Federal crop insurance announcement. I ask unanimous consent that the editorial contained in the newspaper's September 6, 1976, issue be printed in the RECORD.

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

[From the Sioux Falls (S. Dak.) Argus-Leader, Sept. 6, 1976]

GOVERNMENT EXPERTISE AND THE DROUGHT

The decision of the Federal Crop Insurance Corporation to discontinue sales of policies to new customers in the drought-stricken portions of the Midwest is an incredibly stupid one.

The Associated Press, in carrying the story on its wires last week, said that the sales ban was made effective in Minnesota and the Dakotas with no public announcement. No wonder. What Department of Agriculture official would want to trumpet such a decision?

According to The Associated Press, crop insurance officials said they ordered the sales cutoff to protect current policy holders against the risk of a large premium increase. Officials indicated they anticipate another possible drought next year and, as a result, potentially large claims—especially if the number of policy holders should increase.

Farmers who have the insurance now will be able to continue it. But farmers who need some help apparently won't find it forthcoming from the Department of Agriculture's bureaucracy.

Ben Radcliffe, president of the South Dakota Farmers Union, calls the decision "outrageous," which is also a pertinent comment. Radcliffe had some unkind words for the Ford Administration and Secretary of Agriculture Earl Butz, for which it's hard to blame Radcliffe. He said that South Dakota

farmers "are fighting for their economic survival. They should be able to expect every possible assistance from the federal government. Instead, administration officials have displayed a callous disregard to what happens to farmers."

Our own assessment of Butz' over-all performance is different from Radcliffe's. Butz has fostered a direction in agriculture that seeks uncontrolled production and greater markets for American farmers. Compared to 10 years ago, American agriculture is better off than it was under the concept of idle acres and surpluses that couldn't be sold. Today's livestock prices, however, are nothing to cheer about. But there's something drastically wrong in the government setup as it applies to mitigating the effects of this year's drought on those affected by the disaster.

It occurs to us that the Department of Agriculture could cope with the situation of the localized drought in the eastern Dakotas and Minnesota when most of the nation's agriculture is headed for a prosperous year. Such a contingency could be met, we are certain, by distributing the crop insurance risk nationwide instead of locally, if that is the problem. A better way should be within the expertise of the Department of Agriculture.

It is hard to believe that President Gerald Ford or his running mate, U.S. Sen. Robert Dole of Kansas could let such an important matter as crop insurance for area farmers be handled so poorly by the Department of Agriculture. Dole's service on the Agriculture & Forestry Committee of the Senate suggests that he would have a better solution. Certainly, Jimmy Carter and his nominee for vice president, U.S. Sen. Walter Mondale, will attempt to counter with their proposal for the problem.

Meantime, Radcliffe's parting comment should light a fire under somebody: "If this is an example of the kind of help farmers can expect from their 'friends' at the Federal Crop Insurance Corporation, who needs enemies?"

FOREWORD TO NEW EDITION OF JANE'S FIGHTING SHIPS

Mr. TAFT. Mr. President, the 1976–77 edition of Jane's Fighting Ships, the world's most authoritative naval annual, has just been published. I believe that the foreword to the new edition should be of interest to my colleagues, as it is an important piece of analysis of the worldwide naval situation.

There are several observations in the foreword to Jane's which are particularly pertinent to the considerations of the Senate. In reference to the Soviet Navy, Jane's notes that—

When in the past a country with few overseas financial or colonial interests has embarked on the building of a considerable fleet, the true aims of the ships concerned have proved to be not only protection of the homeland and the sea lines of communications which run to it but also aggressive activities designed to support national policy.

Since the Soviet Union clearly lacks significant natural overseas interests, the implication that the Soviet Navy is being built for aggression is obvious.

The foreword to Jane's also makes several useful observations regarding the U.S. Navy. In relation to one of the most fundamental points in the current U.S. naval debate, the question of whether we need small numbers of expensive, nuclear-powered ships or large numbers of less expensive naval platforms, Jane's states:

Allied with the generalities of the situation are the continued efforts of the "nuclear propulsion" faction whose proposed policies would result in the investment of great sums of money in a comparatively few nuclear-fueled ships, while others seek to provide greater numbers for more extensive surveillance and protection of the areas of greatest concern to the U.S.A. "Deterrence" is frequently a matter of presence and since presence requires sufficient numbers of ships this requirement means a very carefully computed balance between cost and efficiency. No matter how potent a ship is, it can never be in more than one geographical position at one time. It is at this point, however, that the situation is complicated by congressional legislation dictating the use of nuclear propulsion for all new major combatants designed for strike forces.

As my colleagues will remember, the Senate voted this year to strike title VIII, the section of the law requiring nuclear propulsion. While we lost this year in conference, I hope we will continue to work to eliminate this counter-productive legal requirement.

Jane's also comments on a Navy program, the CSGN or strike cruiser, which I have strongly opposed and which the Senate also opposed to date. Jane's states of the strike cruisers,

Of some 17,000 tons, equipped with the AEGIS system and both surface-to-air and surface-to-surface missiles, carrying at least two and possibly six aircraft (helicopters, or perhaps VTOL) and with a speed of 28–30 knots, the official estimate of their cost reaches as high as $1.6 billion. These must be the most expensive screening ships ever envisaged and, if the cost increases in the same proportion as has that of the Virginia class of nuclear-powered cruisers, could be priced out of the programme. This cancellation would also seem to be encouraged by the development of anti-ship weapons in other navies and the USN's need to provide more numerous classes of ships for the manifold duties short of general war which are inherent in a fleet with world-wide responsibilities.

Mr. President, I believe that the entirety of the foreword from the 1976–77 edition of Jane's Fighting Ships should be of interest and of use to the Senate, and accordingly I request unanimous consent that it be printed in the RECORD.

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

THE FOREWORD TO JANE'S

The 12 months since the publication of the last edition of Jane's Fighting Ships have been notable for a number of items of interest and importance both in the international scene and the more narrow subjects covered by this book.

INTERNATIONAL RELATIONS

From the international point of view the Conference on Security and Cooperation in Europe which concluded at Helsinki on 1 August 1975 could have been the starting point of a great improvement in international relations. Amidst the customary high-sounding expressions of principle and intent were those which spoke of the participating states refraining from the threat or use of force, acknowledged the need to respect the equal rights of peoples and their right to self determination, the fact that it was in the interest of all the signatories to aim at a lessening of military confrontation and the promotion of disarmament, as well as the early publication of national budgets. Although many have waited with dwindling hope for some evidence of moves which might suggest that these principles were honestly and sincerely held, little has been seen to give encouragement. The new methods of Soviet involvement in Angola, which is admittedly outside the boundaries of the participating states, and the announcement by the late Marshal Grechko in January of the necessity for the increase of Soviet armed forces are only two of the pointers to the future. We shall examine later the effects of current planning on Soviet naval force levels at a time when the situation of NATO is an unhappy one. While the naval forces of Britain and Iceland have been in confrontation over a fishery dispute and the future political alignment of Italy is in doubt, while Greece has withdrawn from the military alliance and with the problems arising between Turkey and the USA, not to mention the confusion that has existed for some time in Portugal, it is clear that this grouping of democratic states lacks the cohesion and the willpower of those of the Warsaw Pact. All these facts are indications of future trends. For the present the continuing terrorism, frequently nurtured from without, which threatens so many countries makes us very conscious that the words of Winston Churchill in the period of the Nazi tyranny are equally applicable to our own situation—"We are sunk in a barbarism that is all the deeper because it is tolerated by moral lethargy and covered with a veneer of scientific convenience."

NAVAL AFFAIRS

From the more parochial aspect of naval affairs there are continuing indications of a steady increase not only in the size of forces throughout the world but also in their capability. Amongst the larger navies the building programmes continue to advance although overall numbers are being reduced in certain categories as large batches of ships become over age. However, the improvement in missile capability now gives a single ship a capacity for destruction only equalled in the past by great fleets and squadrons of aircraft. The Western navies have been replacing a number of their ships by newer vessels which in all cases far outweigh the cost of their predecessors. In the USA certain ships now under construction are costing as much as a whole squadron of earlier classes. The Soviet naval building programme continues at a steady rate although there is little sign as yet of any important change in design pattern from that reported last year. However, amongst the smaller navies there has been considerable reinforcement and the proliferation of the comparatively small fast attack craft armed with missiles must inevitably change the balance of power in many important areas. The Chinese Navy continues to increase in numbers and remains primarily oriented towards defense of the long coastline of the People's Republic.

INCREASE IN MERCHANT FLEETS

One other point which comes clearly from the figures published in this book is the steady increase in numbers in the world's mercantile fleets in which the most numerous are those of Japan (9,932) and the USSR (7,652). The overall increase throughout the world is almost 10 percent over last year's figure and double that of 10 years ago. Of the 30 largest fleets today only two have shown a slight reduction in the last year and one of these is a flag of convenience. The doubling of the size of the world's fleets is in many cases reflected in the export/import trade of the nations concerned. For instance, that of the USA has very nearly doubled itself in the last 10 years and in monetary terms is little short of treble the 1965 figures. These facts demonstrate a reliance on sea communications which notably increases the vulnerability of the trading countries.

The dependence of the USA on sea-borne trade is typical of the state of most of the major powers. The People's Republic of China now has trading links with 122 coun-

tries, Japan relies almost entirely on imports for her raw materials, while the condition of the European members of NATO, as well as of the non-aligned states of Europe, would deteriorate rapidly were their sea-lanes cut. The USSR, on the other hand, is not reliant on the import of foreign raw materials but depends in a large measure and in a very competitive field on cut-price freight for the support of her national hard currency balance. In addition she is dependent on the Western nations and other countries of the non-Communist area for a great deal of her heavy machinery and technical imports and also, as we have seen during the last two disastrous harvests, for a considerable quantity of her food. This is also true of the Soviet fishing fleet which provides vast amounts of protein food and fishmeal for agriculture.

SAFETY OF SEA ROUTES

It is therefore hardly surprising that the sea routes of the world are becoming more and more congested. There are some who are only too prepared to accept the situation and reject the argument of vulnerability. It is here that the age-old lessons of seapower must once again be put forward. Those who have the capacity to use those sea routes in safety will survive. Those who have the capacity to interrupt this international intercourse will remain, as always in the past, in a position to achieve their ends. The argument that war is unthinkable in this nuclear age applies less to the sea than to any other area. It must be remembered that the high seas are neutral ground, and that without any overt conflict, without the firing of any guns or missiles or torpedoes, great areas of the oceans can be declared dangerous: harassment may occur, mined areas declared, or exercises conducted which can adversely affect the flow of shipping. Delays will result in increased prices; interference in increased insurance premiums. With 98 percent of the bulk of the world's trade being carried in ships it needs little emphasis to show the disastrous effects of any or all of these acts, none of which reaches the definition of war. To conduct trade with security a country needs the manifest capability to defend its own, whether that be shipping lanes, fishing areas, its oil rigs, or the coastal traffic upon which so much depends in so many areas.

AREAS OF INFLUENCE

The world has temporarily resolved itself into certain areas of influence: the NATO area, the Soviet-dominated Communist bloc, China, Japan, and the various geographical areas such as South East Asia, the Persian Gulf, Australasia, the Indian Ocean, and both coasts of South America. In reviewing the state of the world's fighting ships today it is convenient to consider these and their problems.

NATO'S DEPENDENCE ON THE SEA

As has already been said NATO is in an unhappy state. This is no place to consider the political problems which confront the leaders of the various nations comprising the alliance. Today their reliance on ocean trade is evidenced by the fact that in the North Atlantic and Mediterranean areas at any one time there are just over 4,000 merchant ships at sea plying between their ports, in addition to some 3,000 within those ports. Oil comes to these nations in NATO tankers of which 200 are daily at sea in the Indian Ocean. Of the British Merchant Navy over a quarter of its ships is east of the Suez at any one time. It is therefore totally illogical to apply geographical boundaries to the naval areas of concern to this alliance. That the southern boundary should be set at the Tropic of Cancer in the North Atlantic makes no sense when the above facts are considered.

STANDARDISATION

It is now 27 years since the Treaty inaugurating the North Atlantic Treaty Organisation came into force. In that time many committees have considered the problems of standardisation within the forces of NATO and yet today we see little advance in this respect. Particularly at a time when economic problems have caused the limitation of defense budgets the prevailing lack of standardisation is resulting in continued and gross waste. Several different designs of ship destined for the same purpose, a plentitude of various radars, missiles of many designs, the requirement for different types of fuel and spares, the need for some 30 different types of ammunition, and a regrettable lack of uniformity in doctrine and frequencies has resulted in an increasingly difficult task for the staffs required to plan coordinated operations and for those who provide the support for the fleets.

However, this situation is not surprising when one reflects on the national differences of opinion over the requirement for seapower and, when this is agreed, the methods by which it should be provided. During the last year there have been endless and vitriolic debates in the USA over what is required in her navy today. At a time when many politicians choose to view detente as a new method of achieving world peace instead of the prolongation of Khruschev's policy of peaceful co-existence leading to eventual Communist overlordship, this energetic debate causes little surprise. Allied with the generalities of the situation are the continued efforts of the "nuclear propulsion" fashion whose proposed policies would result in the investment of great sums of money in a comparatively few nuclear-fueled ships, while others seek to provide greater numbers for more extensive surveillance and protection of the areas of greatest concern to the USA. "Deterrence" is frequently a matter of presence and since presence requires sufficient numbers of ships this requirement means a very carefully computed balance between cost and efficiency. No matter how potent a ship is, it can never be in more than one geographical position at one time. It is at this point, however, that the situation is complicated by Congressional legislation dictating the use of nuclear propulsion for all new major combatants designed for strike force.

U.S. NAVY

The current operational strength of the U.S. Navy includes 13 aircraft carriers of which two are nuclear propelled and three of World War II design. The 14th carrier is used for training. Two more nuclear propelled carriers will come into active service over the next five years. In the wake of the debate which has been under way for so long alternative plans have been drawn up for smaller ships which could operate high performance aircraft as well as being nuclear powered. None of these can be considered particularly small, ranging from 65,000 tons full load to 85,000 tons and costing an estimated 1979 price between $2.1 billion and $2.25 billion. There is also a plan to supplement these very expensive ships with what are called VSTOL support ships (VSS) which would operate fixed-wing VTOL aircraft and helicopters. The need for this re-design has come as a result of the Congress turning down the Navy's plan for the sea control ship of 14,000 tons. The new design, which it is not planned to fund for another four years, varies between ships of 22,000 tons and 33,000 tons. In these cases their propulsion would be either by gas turbines or steam turbines.

In other categories of surface ships the urge to "go big" appears again. Enough has already been said and written about the SPRUANCE class—this year details of the proposed eight nuclear-powered strike cruisers are available, ships whose primary duty would be the protection of nuclear aircraft carriers. Of some 17,000 tons, equipped with the AEGIS system and both surface-to-air and surface-to-surface missiles, carrying at least two and possibly six aircraft (helicopters, or perhaps VTOL) and with a speed of 28–30 knots, the official estimate of their cost reaches as high as $1.6 billion. These must be the most expensive screening ships ever envisaged and, if the cost increases in the same proportion as has that of the VIRGINIA class of nuclear-powered cruisers, look set to be priced out of the programme. This cancellation would also seem to be encouraged by the development of anti-ship weapons in other navies and the USN's need to provide more numerous classes of ships for the manifold duties short of general war which are inherent in a fleet with world-wide responsibilities.

At the same time the DDG47 class is proposed for the 1977 programme, the aim being to support the strike cruisers in "the protection of high value forces (including carriers)" as the Secretary of Defense described it. These 9,000-ton ships would carry the same AEGIS system as the cruisers, linked to Standard surface-to-air launchers, surface-to-surface missiles, two helicopters and would be propelled by gas turbines. The lead ship cost requested is $858,500,000—although this could be less in later ships it is still much more than the $125,000,000 (1973 values) for the originally planned missile-armed variant of the SPRUANCE class.

Size and cost increases apply also to the submarine fleet. The TRIDENT class of ballistic-missile submarines, of which 10 are currently planned, is designed for a dived displacement of 18,700 tons. This vast size is dictated by the requirement to fit 24 missile tubes for the eventual 6,000-mile TRIDENT SLBMs. This large hull has brought a need for greater power, a large reactor to provide it and, finally, an even bigger hull to take the reactor. Nevertheless the $791,500,000 request for the fifth in the class is still less than the first DDG47 class estimate, whilst the estimated cost for the three submarines of the LOS ANGELES class of nuclear attack boats which are proposed for the 1977 programme is $320,000,000 per hull. These are 6,900 tons dived with, it is believed, a modified surface-ship reactor—perhaps indicating an omission in the design process and also, possibly, explaining the fact that the first of the class is two years behind schedule.

Having emphasised the cost of these increasingly large ships and submarines it is perhaps comforting to end this very brief review of the USN with two most important developments—the frigates of the OLIVER HAZARD PERRY class and the trials of the new cruise missile. The first of these carries both surface-to-air and surface-to-surface missiles, two helicopters, and a gun armament on a 3,600-ton hull propelled by gas turbines. Although costs have risen steeply to $143 million for the 1977 programme it will be possible to provide a considerable number of these ships for the multiplicity of tasks such as surveillance, escort and patrol which make up such a large proportion of any navy's tasks.

Whilst discussions on SALT II creep on their interminable way the fact that a U.S. cruise missile with long range and a low altitude capability has now been given initial tests is of the greatest importance. This could be done of the most significant additions to the U.S. naval arsenal and a powerful deterrent in future years. How this and all other programmes is handled rests in the political balance and in the long run with the people of the USA. How far the reputed remark of Admiral Yamamoto at the time of Pearl Harbor—"I fear we have awakened a sleeping giant and filled him with a terrible resolve"—would be applicable today is a matter of the greatest importance to the rest of the world.

SOVIET NAVY

A reasonably correct and objective analysis of the Soviet Navy today is very hard to achieve when criticism from that quarter

heavily outweighs the facts given to support it. Such an analysis depends on three major factors—the current building programme, the training of those that man the ships, and the deployment of the ships themselves. Admittedly there have been a wealth of statements by senior Soviet officers on their views of the proper operations for this fleet but these must be considered in the context of what has in fact happened. Admiral Gorshkov has made it quite clear that he considers the fleet which he commands as an essential element of the political advance of his country. At the same time he recognizes that to carry out this duty the fleet must be capable of any form of naval operation and action which may come its way. It has become almost a tradition amongst some people to consider the Soviet Navy as a defensive force for the protection of Mother Russia. However, the armament of the new ships and the introduction of carrier-borne aircraft has suggested an extended outlook beyond that of pure defence. When in the past a country with few overseas financial or colonial interests has embarked on the building of a considerable fleet, the true aims of the ships concerned have proved to be not only protection of the homeland and the sea lines of communications which run to it but also aggressive activities designed to support national policy. In the last 20 years the question of defence has also included the neutralisation of forces armed with strategic nuclear-headed weapons. It is therefore of value to consider the building programme of the Soviet Navy in the light of protection against these weapons, protection of its own coastlines, and overseas aggrandisement.

During the last year it has become clear that both observers and politicians remain rooted to the argument of pure numbers. As a result, many false conclusions have been drawn and, in this respect, data can be twisted to meet a multitude of requirements. So far as strength of the fleet is concerned it has become apparent that the Soviet Navy has reached a plateau of numbers. What is changing is the capabilities of the ships and submarines involved and, as a result, the operations which they are capable of undertaking. This plateau of numbers is governed by the active production lines in the Soviet shipyards, by the money which is available for shipbuilding, and by the number of men who are available to man the fleet. Admittedly in a major crisis the building rates could be accelerated but it would appear that the provision of additional trained manpower is unlikely.

The young sailors who man the Soviet ships enter the navy in two groups of 50,000 to 60,000 each year. After six-months training they may expect to spend the rest of their three years of conscript service in the same ship. At the end of this time they either return to their homes or, in a minority of cases, sign on for further service. In this case they become senior ratings of Petty Officer and Chief Petty Officer status at the age of 21—very much earlier than their opposite numbers in the Western navies could expect. As a result a considerable strain must be placed upon the junior officers who receive a five-year training, primarily in technical matters. It is probably this concentration on technology which has resulted in the situation which Admiral Gorshkov criticised very strongly in his recent article in Red Fleet. In this he complained primarily of the narrow approach of too many officers in his fleet and also criticised the methods of selection for command. Where there is weakness amongst the officers the rest of the navy must suffer in proportion.

While the consideration of numbers is, as always, a dangerous exercise for the uninformed, the composition of the Soviet fleet is of considerable interest and gives certain clues to its future planned employment. Several classes of surface ships have already reached the end of their theoretical 20-year hull life although, in a fashion well known in the Soviet Navy, many have been remodelled or reconstructed. These elderly ships include the SVERDLOV, KILDIN, KOTLIN, SKORY, RIGA, KOLA, SOI and KRONSTADT classes as well as a number of the light forces. Many of these have already been paid off and the main interest here centres on their future replacements. The KARA and KRESTA II cruisers, the KRIVAK destroyers, and the GRISHA and NANUCHKA corvettes all appear to have provided satisfaction and their construction is continuing. Added to the KIEV-class aircraft carriers, of which a third and possibly a fourth are now under construction, these will probably provide the main surface force of the Soviet Navy in the immediate future. However, with the proven ability of Soviet ship designers to produce new and fascinating concepts it is possible that other variants may be seen within the next few years.

From the submarine point of view there have been certain changes in the production of enlarged types of the VICTOR and CHARLIE classes while the DELTA and DELTA II have replaced the YANKEEs as the main ballistic missile carriers. Continuation of a diesel-driven programme with the TANGOs suggests that the Soviets appreciate the need for such boats which can operate in shallower waters where the larger fleet submarines are inhibited in their use of speed, and which can also provide training facilities.

The continuation of building programmes of support and service forces shows a determination to continue the operations of the fleets away from home bases and this has clearly been reflected in the out-of-area deployments over the last 12 months.

The armament available to these ships and submarines is also a pointer to their employment. When the KIEV class will be equipped with VTOL aircraft is still uncertain but with a mixed complement of VTOL and helicopters these ships will provide a central point for independent squadrons. In the event of major hostilities it is possible that the main task of the KIEVs would be that given in their Russian type name—anti-submarine cruiser. The label "anti-submarine" appears in the majority of modern Soviet ships of both cruiser and destroyer varieties. This may appear somewhat surprising since the main anti-submarine armament appears to be either comparatively short range rocket launchers (MBUs), even shorter range depth-charge throwers, A/S torpedoes, or helicopters. However, the forward launcher (SUWN-1) in the MOSKVAs is apparently intended for long range A/S weapons and suggests an appreciation of the need for such missiles. The existence of the FRAS 1 launched from the SUWN-1 and SSN-14 weapons provides a means for engaging submarines out to a range of 15 to 20 miles. In this event it would seem logical that the other larger surface ships would be provided with alternative weapons in what are normally considered as surface-to-surface launchers.

While the submarine remains one of the best detection platforms against other submarines we must look for a means of completing the weapons system with an adequate long range missile. This, it is believed, is now available in the 25-mile SSN-15, similar in many respects to the U.S. Navy's Subroc. Although further details of this missile are not available it would appear to be a logical advance to be used in the cruise missile and attack submarines. Further conjecture has been advanced that the SSN-13, a ballistic missile with a range of some 350 miles, could be used from the missile tubes of the YANKEE-class submarines in an A/S role. While it is undoubtedly true that Soviet satellite reconnaissance by conventional and other means is most efficient and the command and control system exercised by Moscow extremely effective, there is insufficient evidence that this missile could be used against any target other than a force of surface ships. In fact even on this aspect the evidence is inconclusive, although the vast sums spent by the USSR on research and development must result in a cautious approach by any country not allied with the Soviet ideology.

With bases or friendly havens in such places as Cuba, North Africa, Guinea, Somalia, and Aden as well as anchorages in many places around the world the overseas deployment of the Soviet Navy has continued over the last year. Backed by the activities of their Research and Survey fleet which comprises a very high proportion of the total of such ships in the world and by a meteorological forecasting service of huge proportions, experience of overseas operations is clearly building up at a great rate. That such areas are not basically part of the defence of the Soviet Union suggests, taking into account the unusual operations in Exercise Okean II in 1975, that this deployment is capable of use for other purposes. With the flexibility provided by afloat support and remembering the basic principles of seapower, such deployments could well affect the maintenance of Western sea lines of communications if not by active hostilities then by the sheer presence of the ships and the introduction of such problems as oceanic danger areas. If the operations and intentions of this great fleet are to be understood by Western operators and politicians, ships and aircraft need to be deployed to observe their activities.

WESTERN NAVIES—GREAT BRITAIN

The question of numbers raises again the problem stated above—that of simple sums, the cost of ships and their deployment. It is in this regard that the composition of Western navies needs close inspection. The U.S. Navy, as we have seen in the past, has already halved the total strength of its fleet by the elimination of out-of-date ships but is building new destroyers and frigates which will go some way to redress this cut. Great Britain's policy has been stated clearly in both the last Defence Review and in the more recent White Paper on Defence: an intention to withdraw the ships of the Royal Navy to an inner area, the Eastern Atlantic. As a result the Ministry of Defence will no longer be able to receive direct information on any activities further afield. The ships themselves are now reaching a standard of cost which prevents a country in difficult financial straits from building sufficient to provide for surveillance, normal operations and exercises and, at the same time, taking account of the unexpected and the unforeseen. Here again the character of future employment must be considered and, as the pattern of new construction is dictated primarily by the amount of money allocated rather than by the needs of the country's defence, this consideration is vital. While any ship built for the Royal Navy must be fully capable of operations in any foreseen conflict, there is, at the same time, a need to consider the construction of less expensive ships for the more mundane operations which occupy so much of a navy's attention in what is predominantly a peacetime setting.

The outbreak of a major war appears to be something which both the Soviet Communists and Western countries wish to avoid—the alternative of harassment and actions short of war requires a widespread presence which can be achieved only by the use of imaginative concepts which will, in the long run, provide more ships for the same budget. An instance of this is the problem raised by

the need to protect not only oil-rigs but also the 200-mile Exclusive Economic Zone and the expanded fishery limits which, despite the failure so far to reach agreement at the Law of the Sea Conference, are being adopted with increasing rapidity throughout the world. This need has brought the realisation that the Royal Navy is inadequately equipped for such a task—the Type 14 frigates and considerable numbers of coastal minesweepers being paid off with nothing to replace them. The surface-ship building programme, with one or two minor and unsatisfactory exceptions, is devoted to large, complex, and expensive destroyers and frigates. Very little money has been made available to provide the ships needed to protect one of Great Britain's most valuable assets against terrorism, damage, or destruction. The result has been the ISLAND-class offshore patrol vessel of a trawler design, presumably to save drawing-office effort, which has a speed inadequate to cope with a high proportion of foreign trawlers, is denied the helicopter needed for swift reaction, and costs more than a fully-equipped freezer trawler. The five ships of this class, backed in inshore waters by the BIRD class of large patrol craft which has been years in production at a cost which is apparently too horrific to be revealed, will be all that bear the brunt of such operations. Admittedly, the main force of surface ships will be available as support in much the same way as has recently been seen off Iceland when some 15 of NATO's category "A" ships were damaged, some seriously, at a cost which must eventually reach over the million pound mark. To have to send in the "heavy mob" when acceptance of at least one of the highly efficient commercial designs would have provided the force needed is surely an indication of inadequate provision.

At a time when the need for an abundance of helicopters is realised as clearly in the Royal Navy as elsewhere, and now that the British Government has tardily accepted the need for the Harrier VTOL aircraft at sea, the cost of achieving this end has doubled. Whereas £60 million was mentioned as the original estimate for the first "through-deck cruiser" the order for the second of the INVINCIBLE class has been quoted as £120 million. With delays resulting from variations in design as well as from labour and subcontracting problems this figure may turn out to be a minimum first estimate. If the third ship is eventually ordered it will be interesting to compare unit cost against such ingenious alternatives as the Vosper Thornycroft "Harrier-carrier" and the conversion of mercantile designs for similar purposes.

SCANDINAVIA AND WEST GERMANY

Financial stringencies have affected nearly all the Western states. Norway, although possessing one of the world's largest merchant fleets, provides only a local defence force consisting of submarines, fast attack craft, and mine warfare forces. Denmark possesses a considerable merchant navy and, although her parliament has called a halt to party bickering on defence matters, naval plans are still restrained by the budget. The fleet is similarly constituted to that of Norway and is capable of operations only within her coastal waters.

West Germany, with a healthier economy than many countries, is still concentrating on the defence of the Baltic and the North Sea. She is carrying out a replacement and modernisation programme which is aimed at the further improvement of quality without reduction in overall numbers. Eighteen new Type 206 submarines have brought this force to a total of 24. Thirty fast attack craft (missile) will have entered service by the end of 1976, with 10 missile hydrofoils apparently still planned for commissioning by the end of 1980.

The HAMBURG-class destroyers will have completed their modernization with new missiles, sonar, and radar by the end of 1976 and the new type 122 frigates are planned to replace the KOLN class. Modernisation is also taking place in the mine warfare forces where 12 minehunter conversions are planned to operate the French PAP system.

The Fleet Air Arm has a new stand-off night attack capability with Komoran missiles and will so arm the 100 MRCAs which are planned to replace their F104Gs. Further replacement envisaged are those of the Breguet Atlantics by S3A Vikings.

All in all this seems a well-balanced navy with its fleet designed to fulfill the policies of its Government. There is little fat but much sinew.

NETHERLANDS AND STANDARDIZATION

Cuts in defence expenditure have been proposed in the Netherlands but the overall programme will still provide the main bulk of the programme in which the TROMP-class destroyers and the KORTENAER-class frigates figure. With a sideways look to Belgium's programme of E71 frigates, the LUPOs in Italy, and the BERK class in Turkey, one cannot help feeling that this is a major sphere of design where NATO has once again failed to achieve any form of standardisation. In the last few years the countries of the Alliance have produced or are planning to produce four classes of destroyers and 11 classes of frigates. In contrast to this uncoordinated proliferation the discovery that Belgium, France, and the Netherlands have set up a combined planning centre in Paris to provide for the replacement programme of minehunters needed in all three countries comes as something of a surprise.

FRANCE

France has recently been subjected to a series of political tirades over the form her defence strategy is to take but this not unusual situation has made no impact on a naval building programme which has been affected more by financial problems than by fundamental changes in thought. With DE GRASSE and the three GEORGES-LEYGUES class as the main bulk of the larger surface ships programme, the 14 A69 avisos are unlikely to be joined by the A70 class for some time. The submarine programme of three new ballistic-missile boats and four AGOSTA class will soon be strengthened by the first nuclear attack submarine (SNA) on the stocks. With this plan unchanged, the number of fast attack craft appears to have been reduced. The major material weakness of the French Navy, afloat support, is however being steadily rectified. With the solution of that problem and provided the difficulties over manpower are satisfactorily resolved there is every chance of this becoming the main fleet of Western Europe.

THE MEDITERRANEAN

In an Italy beset by financial and political problems a positive step towards stabilisation of the naval programme was taken in 1975 with the passing of the *Legge Navale*. This law, whose implementation presumably depends on future political alignments, allows for a considerable building programme (listed in the summary following) which is well balanced except for the inclusion of only one replenishment tanker. With a number of bases along the Italian coastline it must be assumed that this fleet, the product of excellent and imaginative designers, will be primarily homebased, relying on external support if NATO deployments require any lengthy absence.

The same restriction on long-range movement is also true of the Royal Spanish Navy which has been forced by financial considerations to limit its new construction programme. The continued build-up of the Naval Air Arm with Harriers and extra helicopters, allied with the advanced years of DEDALO suggest that the previous plans for a new helicopter/VTOL carrier will be revived as soon as money allows and a design is available. The modernisation of this fleet must be acknowledged—the arming of new frigates and large patrol craft with surface-to-surface missiles, as well as the increase in new submarines will put Spain in a commanding position at the entrance to the Mediterranean.

At the eastern end of that sea the Hellenic Navy has made a significant increase in its light forces with a further four missile craft completing, as well as the acquisition of West German JAGUAR class and other smaller types. To the four Type 209 submarines are to be added three, or possibly four more, while a start has been made on Greek-built vessels of the coastal patrol and auxiliary categories. Across the Aegean another significant advance has been started as the Turkish Navy continues its programme of home building by the decision to build submarines at Golcuk after the successful completion of the BERK-class frigates.

From the southern Turkish border to the Straits of Gibraltar, the Levantine and North Africa coasts are closely associated with the activities of the Soviet Union. Syrian OSA-class missile-boats and the strong force of similar craft held by Egypt have brought the expected reaction from Israel of an expanding programme of SAAR IV missile craft and DABUR patrol craft. Egypt has also built missile craft in her home yards—excellent facsimiles of Soviet KOMARs. What the future holds for the maintenance of all the vessels originating in the USSR now that the break between that country and Egypt appears complete is hard to estimate, but must depend to a very large extent on the ability and ingenuity of local engineers. The Soviets, never renowned for their liberality in providing spare parts, have presumably left little behind.

Libya, however, has forecast a bonanza period with the Soviets: both FOXTROT-class submarines and OSAs appear to be on the list of planned acquisitions. At the same time missile corvettes from Italy and missile craft from France will combine with these ships to make the Libyan navy a powerful force in the area abutting the Sicilian Narrows. Whether base facilities will be granted to Russians; whether Mr. Mintoff will retain power in Malta and continue his flirtation with the Libyans; whether the unpredictable Colonel Qadaffi will use his new found sea-power for other than defence of his own coast-line; these are questions that only the future can answer.

The Tunisian Navy, with its increasing force of French-built ships, will be sandwiched between the Soviet-provided forces of Libya and Algeria. The latter, with no augmentation of its force of OSA, KOMAR, and P6 classes, has apparently no intention of providing facilities for the USSR in the magnificent base at Mers-el Kebir.

From Morocco down the western side of Africa there is a continual alteration of the sources of the various small navies' ships. Morocco, Mauritania, Senegal, Ivory Coast, and Cameroon are primarily provided with French craft with some leavening of British. The latter have provided the main strength for Ghana and Nigeria whilst China is well represented in Sierra Leone and the Republic of Congo. With Guinea Bissau fully provided by the USSR, Guinea has shared her requirements between China and the USSR, Liberia is stocked from the USA, and Zaire has impartially received deliveries from France, the USA, and North Korea.

INDIAN OCEAN AND PERSIAN GULF

At the southern tip of Africa and in the most strategically important point in this

area south of the Equator the Republic of South Africa reacted to the increasing threats from without by increasing her 1976 defence budget by 40 percent over the previous year's total. Included in this are allocations for six new frigates to be built in Durban, two new submarines and six Israeli fast attack cruise (missile) similar to the SAAR IVs. How far this will go towards the protection of her more than 2,000 miles of coastline and the vital trade between the ports upon it is debatable but it shows a determination to guard her own which is lacking in a number of the critics of her system.

There is at present no information on what sea forces are to be provided to Mozambique or Angola but north of the Mozambique Channel Tanzania is primarily provided by China. Her neighbour, Kenya, has met her needs with British construction and further to the north, Somalia, with a major Soviet base at Berbera, is not surprisingly equipped entirely with Soviet craft. The addition of OSA missile craft to her force must post a problem off the Straits of Bab el Mandeb should there be a conflict of views in this area. With Soviet light forces provided to Yemen countries and ports available to Soviet forces at Hodeido and Aden, access to the Red Sea and Suez Canal could easily be sealed off should policy so dictate. Within the Red Sea this could present a major problem to the Sudanese who, having had their original naval force provided by Yugoslavia, are now receiving ships from Iran. If this is an indication of alliance the western ally could very easily be marooned in a hostile sea.

Sudan's probable supporter, Iran, has led the great naval build-up in the Persian Gulf which suggests a resolve by the rulers of the Gulf states to ensure free passage in their own enclosed and congested waters. Saudi Arabia, faced with protection problems in both the Red Sea and the Gulf and with the same threat of a throttle being placed on Bab el Mandeb, has embarked on a major naval expansion with the assistance of the USA. Within the Gulf her neighbours Oman, Sharjah, Ras Al Khaima, Dubai, Abu Dhabi, Qatar Bahrain, and Kuwait are all aware of possible threats to their coastlines and to their increasing tanker tonnage. Expanding light forces mark this awareness while Iraq, slung between the Gulf State coastlines and Iran, still relies on a mixture of antique British craft and the products of the USSR, including six OSAs. The latter could have a major impact on Gulf trading but Iran with a programme including U.S. SPRUANCE-class destroyers, submarines, French missile craft, and U.S. maritime patrol aircraft is clearly determined to carry out the Shah's intentions of taking care of Iranian waters, both within the Gulf and in the Arabian Sea beyond the Straits of Hormuz.

Within an area flanked by the Arabian peninsula, Pakistan, and India and with the southern boundary a line drawn westward from Sri Lanka the bulk of the Soviet squadron is normally deployed. On average this comprises a cruiser, a destroyer, two frigates, two to four ocean minesweepers, a submarine (nuclear or diesel-propelled), and a support group of some half-dozen ships such as an intelligence collector, a depot-ship, a tanker, a space-event ship, and two harbour-based vessels (a barrack ship and a floating workshop). This support group shows an intention to remain in the area, although, unless reinforced, this is a squadron which must be constrained in its operations by numbers and by insufficiency of service forces. With the reopening of the Suez Canal, although the attitude of Egypt must remain in question, such reinforcements from the Black Sea would have to steam only 2,400 miles to reach Aden rather than 11,000 miles around South Africa. Within the normal operating area of this squadron little welcome can be expected in Pakistan where, with a mixed force of British, French and Chinese ships, there appears to be more inclination towards support from the United Kingdom despite the problems which have arisen over the two WHITBY-class frigates. The static size of the Pakistani fleet and the lack of any notable reinforcement over the last two to three years does little to support Indian charges of a "growing aggressive force."

India, however, at a time of both financial and political problems, is continuing to add to her fleet. Experiments with SSN-Z in TALWAR, extra PATYAs and POLNOCNY's the continued building of LEANDER-class frigates, the promise of home-built submarines, and the acquisition of NANUCHKA-class missile corvettes from the USSR will provide her with a navy which will be of overmastering size and the only one, except RAN, with an organic Fleet Air Arm in the Indian Ocean.

Despite this orientation towards Soviet-provided ships there is, as yet, no indication of Russian forces being allowed havens in Indian ports other than reports of a Soviet command centre at Vizagapatnam, which may be a hang-over from the Bangladesh clearance operations.

The latter country has shown no pro-Soviet bias in the choice of ships for its growing navy, having chosen both Yugoslavian and home-built vessels. Even the arrival in Sri Lanka of the variously labelled STENKA/modifier GSA-class has not been followed by the frequently forecast Soviet arrival in Trincomalee.

SOUTHEAST ASIA AND THE ANTIPODES

Not only is the garnering of bases in the Indian Ocean a difficult matter for the Soviet fleet—there could be problems not only with reinforcement through the Suez Canal but also via the Straits of Malacca, the shortest possible route from Vladivostok. Here both Malaysia and Singapore are building up effective forces of missile craft whilst Indonesia to the south and west is replacing her out-dated Soviet ships by more efficient Western vessels. Although at the moment a combination of these three navies could close the Malacca Straits, the advance of the Soviet-armed guerrillas into Northern Malaysia might in the future nullify this advantage. Shore action and politics must never be forgotten in considering the basic principles of seapower—geographical advantage can be swiftly whittled away from within.

The coasts about the South China Sea are areas from which information is meagre—the state of the Khmer and Vietnamese navies is still obscure, Thailand has ordered new missile craft while the Philippines has considerably reinforced its forces in the wake of the Communist take-overs. But well to the south, in more temperate waters, a fresh attitude is to be seen. The Prime Ministers of the new governments in Australia and New Zealand are clearly aware that an ability to defend oneself is a necessary pre-requisite to the gathering of treaty partners. Both have spoken in recent months of maritime dangers in their quarter, although it is still far too early to record the steps likely to be taken to protect the sea lanes on which both countries are totally dependent.

THE PACIFIC

A force which is occupying considerable attention in Australasia is the Soviet Pacific Fleet as well as the Indian Ocean squadron which receives certain of its reinforcements from Vladivostok. It is this very considerable group that the Chinese Navy looks on as its most likely threat, a fact underlined by the larger size of the North Sea Fleet, based at Tsingtao and Lu Shun, compared with the East and South Sea Fleets. Construction is still concentrated mainly on the defensive capability of submarines and light forces with some six diesel boats and 20 missile craft completed each year. This programme has given the Chinese the largest force of fast attack craft in the world and the third largest submarine branch. Beyond the confines of home waters the rapidly growing foreign trade of China has already been mentioned and this includes an increasing quantity of oil exports. With what appear to be vast reserves of oil both onshore and offshore their future as an exporting country depends on their continued adherence to Mao Tse-tung's policy of "self-reliance," the ability to tap their gigantic offshore reserves, and the provision of the necessary ships and berthing facilities to handle the trade. From a point where oil production has risen by over 600 percent in the last 10 years and can now provide for all domestic needs, matters could advance to make China one of the world's great exporters with the implied question of whether her navy will expand to guard the movement of a commodity which could, as Chou En-lai promised, put China's economy into the "world's front rank."

Oil is also of major importance in all Japanese calculations. Offshore exploration may ease the burden of the 98-percent imports which, when OPEC prices were greatly increased, caused such an unwelcome shock to the Japanese economy. An increasing dependence on Chinese oil could also reduce the risks of interference with long range sea-borne trade. The recent Japanese White Paper on Defense, the first since 1970, skates delicately around a number of patches of thin ice, leaving the impression that the defense of such routes will be achieved by dependence on American nuclear capability as part of the overall deterrent to aggression. With a defense budget less than half that of Great Britain and about 5 percent of that of the USA it is hard to see how much else can be achieved. The planned naval building programmes have been reduced and, although the provision of more missiles and helicopters at sea shows an appreciation of modern problems, the lack of adequate afloat support must limit any operations to home waters unless the USN is prepared to sustain them.

One point made in this White Paper is clearly stated—the instability inherent in the North-West Pacific where the interests of the USSR, USA, and China converge and where North and South Korea stand ready for engagement. The former continues to build up her navy with new submarines, frigates, and fast attack craft while the latter's considerable fleet of ex-U.S. ships ranges from destroyers downwards and includes a considerable amphibious force. In many respects similar but with larger forces, including submarines, is the navy of Taiwan, the centre of another possible danger area.

Far removed are the navies of the western seaboard of the Americas. A proportion of the naval and coast-guard forces of Canada are deployed on this coast but there has been little change here since last year. Plans for a modern force of maritime patrol aircraft are hung up on the spikes of finance which decisions are still awaited on what type of ships are required to replace some fifteen aging frigates.

SOUTH AMERICA

The southern neighbour of the USA, Mexico, has continued her programme of coastal protection with orders for 10 more of the highly successful AZTECA class. New orders have come, too, from Venezuela for six of the Italian designed LUPO-class missile frigates, an addition which will make her the most powerful local naval power in the vicinity of Panama Canal. Peru has also turned to LUPOs for her replacement programme while new submarines figure not only in her navy but also in those of Colombia, Chile, Argen-

tina, Brazil, and Venezuela, with Uruguay reported as showing a similar interest. New destroyers, frigates, and missile craft now serve around the whole of South America but, in a continent of such vast distances, their numbers are comparatively small. Concentration in focal areas or at a point of anticipated action would be vital if these navies were to make a major impact on affairs.

THE FUTURE

From the foregoing it is very apparent that many people and governments have widely differing views on the necessity and employment of navies and their contribution to the overall equation of seapower. The urge to build big, complex, and therefore, very expensive ships sometimes ignores the tasks which those ships are likely to be given in the 20-or-so years of their life—the result, very often, of a failure to consider the political background which is an essential feature of any study of seapower. In a world where instability and uncertainty are two of the major factors affecting such a consideration and where the present horrifying concentration of nuclear and thermonuclear weapons suggests that only an act of insanity or gross mismanagement could prompt a major nuclear exchange, the operations of navies and their deployment deserve more attention than they receive. A logical appreciation of such matters allied with the fundamental need for reassigning to the human intellect the position it is rapidly losing to technology and the computer could well produce equal, if not greater, results at less cost than at present. What is to be done? Can it best be done by a ship, a fixed-wing aircraft, or a helicopter? Are "full naval standards" essential for all tasks? Can more thoughtful use of sensors, or even silence, achieve the desired end with greater efficiency? Can the resources of allies be better deployed to save expense? These and a multitude of other questions come to mind as one turns the pages of this book. Human ingenuity knows few barriers and upon it the navies of the world must rely. The seas upon which they move are the lifelines of our existence.—JOHN E. MOORE.

TREATMENT OF TAX EXPENDITURES IN THE SECOND CONCURRENT BUDGET RESOLUTION

Mr. KENNEDY. Mr. President, I support the second concurrent budget resolution and I commend the Budget Committee and its chairman and the members for their skillful development and implementation of the new budget reform procedures, which are at last bringing the massive Federal budget under responsible congressional control.

It is no secret that some of the most difficult issues remaining to be ironed out in the budget procedures are the methods for dealing with tax expenditures. In this connection, I am pleased to note two important areas in the committee report in which the committee pledges further study in the coming months, with a goal of more fully integrating tax expenditures into the budget process:

First, the committee plans to deal with the so-called wedge issue, under which new tax expenditures are sometimes enacted with delayed effective dates, thereby avoiding revenue losses in the current fiscal year but presenting possibly massive drains on revenues in later years.

Second, the committee plans to deal with perhaps the most obvious disparity between direct expenditures and tax expenditures, under which tax expenditures are not yet subject to the separate functional spending ceilings applicable to direct expenditures.

In fiscal 1977, the Federal Government will be spending $413 billion through direct expenditures and another $106 billion through tax expenditures, distributed among the 17 functional categories of the budget as follows:

Expenditures in billions of dollars

	Direct	*tax*[1]
National defense	100.7	0.7
International affairs	6.9	2.0
General science, space and technology	4.5	-----
Natural resources, environment and energy	16.0	3.2
Agriculture	2.0	1.5
Commerce and transportation	17.4	47.8
Community and regional development	9.0	0.1
Education, training, employment and social services	22.3	5.6
Health	38.8	7.3
Income security	137.3	24.4
Veterans benefits and services	19.5	0.9
Law enforcement and justice	3.6	-----
General government	3.5	0.1
Revenue sharing and general purpose fiscal assistance	7.7	11.5
Interest	39.6	0.7
Allowances	0.8	-----
Undistributed offsetting receipts	16.8	-----
Total	412.8	106.0

[1] Estimates do not include results of omnibus tax reform bill now in conference between the House and Senate.

Obviously, in most if not all of these categories, the tax expenditures overlap with direct expenditures. In health, for example, the Federal Government is running a national health insurance program for the elderly through direct expenditures for medicare, and it is also running a national health insurance program for everyone else—or at least for those who itemize their deductions—through the Internal Revenue Code, by means of the tax deduction for health expenses. Similarly, in revenue sharing, the Federal Government is providing direct grants to States and cities, as well as indirect grants through the tax exemption for interest on municipal bonds and the deduction for certain State and local taxes.

Yet there has been virtually no analysis of the overlap between these two clearly related aspects of the Federal budget. The recent Senate debate on the omnibus tax bill has sharpened our awareness of this overlap and the need for greater control over tax expenditures if the budget process is to be effective.

It makes no sense for Congress to define clear budget priorities and set strict limits on the categories of direct expenditures, but then fail to do the same for tax expenditures. We should be applying the same strict tests and standards to both categories of spending programs—is a Federal subsidy justified at all? If so, should it be a direct subsidy or a tax subsidy? And, whichever form of subsidy is chosen, is it designed in a way that distributes the benefits fairly and reaches its goal effectively?

These are simple tests to state, but they are difficult to apply. Nevertheless, we have been applying them with increasing effectiveness to direct expenditures under the microscope of the Budget Reform Act. It is time we began to put tax expenditures under the same microscope.

It would be a tragedy for fiscal responsibility in Congress if we were to continue to ignore the problem after its serious implications have been so clearly demonstrated to all of us. The success or failure of the budget process is at stake, and I am pleased that the Budget Committee has so clearly indicated its intention to deal with this difficult area.

Mr. President, I ask unanimous consent that a table listing the revenue effects of 83 tax expenditures, published by the Congressional Budget Office last March, may be printed in the RECORD.

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

FROM BUDGET OPTIONS FOR FISCAL YEAR 1977, CONGRESSIONAL BUDGET OFFICE, MAR. 15, 1976

TAX EXPENDITURE ESTIMATES, BY FUNCTION[1]

[Millions of dollars, fiscal years]

Function	Corporations					Individuals				
	1977	1978	1979	1980	1981	1977	1978	1979	1980	1981
National defense (050):										
Exclusion of benefits and allowances to armed forces personnel						650	650	650	650	650
Exclusion of military disability pensions						90	100	110	120	130
International affairs (150):										
Exclusion of income earned abroad by U.S. citizens						160	175	195	205	220
Exclusion of gross-up on dividends of LDC corporations	55	55	55	55	55					
Deferral of income of domestic international sales corporations (DISC)	1,420	1,460	1,495	1,580	1,735					
Deferral of income of controlled foreign corporations	365	365	365	365	365					
Special rate for Western Hemisphere trade corporations	50	50	50	50	50					

Footnote at end of tables

FROM BUDGET OPTIONS FOR FISCAL YEAR 1977, CONGRESSIONAL BUDGET OFFICE, MAR. 15, 1976—Continued

TAX EXPENDITURE ESTIMATES, BY FUNCTION [1]—Continued

[Millions of dollars, fiscal years]

Function	Corporations					Individuals				
	1977	1978	1979	1980	1981	1977	1978	1979	1980	1981
Natural resources, environment and energy (300):										
Exclusion of interest on State and local government pollution control bonds	170	220	265	300	330	75	100	125	145	160
Expensing of exploration and development costs	840	1,045	1,285	1,540	1,850	195	245	305	365	435
Excess of percentage over cost depletion	1,020	1,015	1,110	1,215	1,325	575	625	640	670	695
Pollution control: 5-year amortization	15	5								
Capital gains treatment of royalties on coal and iron ore	20	20	25	25	30	50	60	65	75	85
Capital gains treatment of certain timber income	165	175	190	200	215	65	70	75	80	85
Agriculture (350):										
Expensing of certain capital outlays	115	120	130	135	150	360	370	380	390	400
Capital gains treatment of certain income	40	40	45	50	50	565	655	705	760	820
Cooperatives: deductibility of noncash patronage dividends and certain other items	455	485	520	555	595					
Commerce and transportation (400):										
Exemption of credit unions	135	145	155	165	175					
Corporate surtax exemption	6,185	6,745	7,300	7,865	8,455					
Deferral of tax on shipping companies	130	155	180	205	230					
Railroad rolling stock: 5-year amortization	10	5								
Financial institutions: excess bad debt reserves	570	635	730	900	1,060					
Deductibility of nonbusiness state gasoline taxes						600	665	735	815	910
Depreciation on rental housing in excess of straight line	125	135	145	155	170	455	480	510	545	580
Depreciation on buildings (other than rental housing) in excess of straight line	280	300	325	350	375	215	235	250	275	300
Expensing of research and development expenditures	695	725	755	785	815					
Capital gains: Corporate (other than farming and timber)	900	1,015	1,090	1,170	1,260					
Investment credit	7,585	8,045	8,480	8,890	9,310	1,530	1,635	1,750	1,870	1,995
Asset depreciation range	1,630	1,825	2,000	2,095	2,135	175	195	220	230	235
Dividend exclusion						350	370	385	405	425
Capital gains: Individual (other than farming or timber)						6,225	7,360	7,905	8,490	9,145
Capital gains at death						7,280	8,120	9,015	10,005	11,105
Deferral of capital gains on home sales						890	935	980	1,030	1,080
Deductibility of mortgage interest on owner-occupied homes						4,710	5,225	5,800	6,440	7,150
Deductibility of property tax on owner-occupied homes						3,825	4,245	4,710	5,230	5,805
Deductibility of interest on consumer credit						1,075	1,195	1,325	1,475	1,635
Exclusion of interest on state and local industrial development bonds	195	235	270	315	355	90	110	130	150	170
Excess 1st year depreciation	165	180	200	220	240	85	95	105	115	130
Expensing of construction period interest and taxes	1,065	1,110	1,150	1,190	1,230	570	595	620	645	670
Credit for purchase of new home						100				
Community and regional development (450):										
Housing rehabilitation: 5-year amortization	25	20	15	10	10	40	25	15	15	15
Education, training, employment, and social services (500):										
Exclusion of scholarships and fellowships						220	235	245	255	270
Parental personal exemption for student age 19 and over						715	735	760	780	805
Deductibility of charitable contributions (education)	280	325	355	390	430	500	555	610	670	735
Deductibility of child and dependent care expenses						420	460	510	560	615
Child care for facilities: 5-year amortization	5	5								
Credit for employing AFDC recipients and public assistance recipients under work incentive program	10	10	10	10	10					
Deductibility of charitable contributions (social services)	352	402	446	489	536	3,124	3,468	3,847	4,274	4,740
Health (550):										
Exclusion of employer contributions to medical insurance premiums and medical care						4,225	4,730	5,300	5,935	6,650
Deductibility of medical expenses						2,095	2,325	2,580	2,865	3,175
Deductibility of charitable contributions (health)	173	198	219	241	264	831	922	1,023	1,136	1,260
Income security (600):										
Exclusion of social security benefits:										
Disability insurance benefits						370	415	470	525	595
OASI benefits for aged						3,552	3,965	4,460	5,020	5,645
Benefits for dependents and survivors						565	635	715	805	905
Exclusion of railroad retirement system benefits						200	215	230	245	260
Exclusion of unemployment insurance benefits						2,855	2,655	2,470	2,295	2,135
Exclusion of workmen's compensation benefits						640	705	775	855	940
Exclusion of public assistance benefits						130	145	165	185	210
Exclusion of special benefits for disabled coal miners						50	50	50	50	50
Exclusion of sick pay						350	370	385	405	425
Net exclusion of pension contributions and earnings:										
Employer plans						6,475	7,120	7,835	8,620	9,480
Plans for self-employed and others						965	1,065	1,180	1,300	1,440
Exclusion of other employee benefits:										
Premiums on group term life insurance						895	965	1,050	1,135	1,230
Premiums on accident and accidental death insurance						60	65	70	80	85
Income of trusts to finance supplementary unemployment benefits						5	5	5	5	5
Meals and lodging						305	320	335	350	365
Exclusion of capital gains on home sales if over 65						50	55	60	65	70
Excess of percentage standard deduction over minimum standard deduction						1,560	1,635	1,720	1,805	1,895
Additional exemption for the blind						25	25	25	25	25
Additional exemption for over 65						1,220	1,280	1,340	1,410	1,480
Retirement income credit						110	100	90	80	75
Earned income credit: nonrefundable portion						280	270	255	245	235
Earned income credit: refundable portion						1,110	1,065	1,025	985	945
Exclusion of interest on life insurance savings						1,855	2,025	2,210	2,410	2,625
Deductibility of casualty losses						330	355	380	505	430
Maximum tax on earned income						505	580	670	770	885
Veterans' benefits and services (700):										
Exclusion of veterans' disability compensation						595	595	595	595	595
Exclusion of veterans' pensions						30	30	30	30	30
Exclusion of GI bill benefits						280	265	255	240	230

Footnote at end of table

Function	Corporations 1977	1978	1979	1980	1981	Individuals 1977	1978	1979	1980	1981
General government (800):										
Credits and deductions for political contributions						65	40	50	50	85
Revenue sharing and general purpose fiscal assistance (850):										
Exclusion of interest on general purpose state and local debt	3,150	3,375	3,630	3,925	4,300	1,390	1,490	1,605	1,735	1,880
Exclusion of income earned in U.S. possessions	285	305	325	350	375					
Deductibility of nonbusiness state and local taxes (other than on owner-occupied homes and gasoline)						6,680	7,415	8,230	9,140	10,140
Interest (900):										
Deferral of interest on savings bonds						685	765	845	925	1,005

[1] Sum of the Tax Expenditure Items by Type of Taxpayer and Fiscal Year: [a]

[In millions of dollars]

	Corporations and individuals	Corporations	Individuals
Fiscal year:			
1977	105,970	28,680	77,290
1978	115,600	30,950	84,650
1979	125,475	33,315	92,160
1980	136,250	35,790	100,460
1981	148,160	38,485	109,675

[a] These totals represent the mathematical sum of the estimated fiscal year effect of each of the 82 tax expenditure items included in this table.

Source: Staffs of the Treasury Department and the Joint Committee on Internal Revenue Taxation.

POSITION ON VOTES FOR AUGUST 31–SEPTEMBER 1, 1976

Mr. DOLE. Mr. President, the Senator from Kansas wishes to indicate his position on votes that he was unable to vote on last week. This will allow all interested parties to know where I stand on these issues. I ask unanimous consent that a table indicating votes by rollcall number with my position indicated be printed in the RECORD.

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

ROLLCALL NUMBER, ISSUE, AND VOTE POSITION

554—Division 6 of Allen amendment No. 411 to make H.R. 8532 effective no sooner than January 1, 1977; 61 yeas to 23 nays, tabled—nay.

555—Thurmond amendment No. 2255 to place compensation on plaintiffs attorney's fees on same basis as that paid by State to private counsel retained; 55 yeas to 23 nays, tabled—yea.

556—Tower amendment No. 412 to strike provision which provides for court costs and attorney's fees in actions for injunctive relief against threatened loss or damage by a violation of the antitrust laws; 58 yeas to 24 nays, tabled—nay.

557—Hruska amendment No. 2253 to provide that if a State fails to establish that the defendant acted in willful violation of the antitrust laws, the mandatory relief shall be reduced from treble to single damages; 57 yeas to 25 nays, tabled—nay.

558—Belmon motion No. 3 calling for Senate to agree to the House amendment to the Senate amendment with an amendment to provide that no portion of any monetary relief shall be paid to any private counsel employed by the State, or any person other than the natural persons residing in such State in whose behalf such action was brought; 52 yeas to 26 nays, tabled—nay.

559—Allen amendment No. 2239 to provide that no person may participate in bringing an action under Title III while seeking the nomination for election to any State or Federal public office; 43 yeas to 21 nays, tabled—yea.

561—Motion to table the motion to reconsider Tower amendment No. 416; 34 yeas to 35 nays—yea.

563—Tower amendment No. 416 vesting in Corps of Army Engineers primary responsibility to issue permits for dredge or fill material in areas adjacent to navigable waters; 39 yeas to 40 nays—yea.

ONE MAN'S LETTER THAT DID SOME GOOD

Mr. WILLIAMS. Mr. President, on August 24, I introduced a bill to ban the export of horses by sea for slaughter. Several of my constituents had written to me about the deplorable conditions aboard ships used to carry American horses to European slaughterhouses. I was particularly touched by the efforts of Mr. Sidney Trenchard of Westmont, N.J., who mounted a personal crusade against this inhumane trade.

Now Mr. Trenchard is in the hospital recovering from a heart attack. But his efforts on behalf of horses have begun to produce results in Congress. The Senate passed the ban on overseas exports of horses intended for slaughter 3 days after I introduced it. The prohibition was passed as an amendment to the Export Administration Act, which is now before the House.

Recent articles in the Courier-Post and the Philadelphia Inquirer describe Mr. Trenchard's crusade. Mr. President, I ask unanimous consent that the articles be printed in the RECORD.

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

[From the Courier-Post, Aug. 26, 1976]

ONE MAN'S LETTER THAT DID SOME GOOD

(By Tony Muldoon)

Sid Trenchard is a guy with a bad heart from Westmont who is so upset about what happens to horses when they're put on a ship for France that he wrote a letter to his Congressman.

Everybody tells you to write a letter to your Congressman. Usually it translates into "all right, already, so stop complaining."

You can't fight City Hall and all that, so writing your Congressman is supposed to be like writing a letter to a department store complaint department.

Sid Trenchard got that advice from a guy he took to lunch at the Cherry Hill Inn so he could make him look at a picture of a horse whose rear legs had been chopped off. The picture illustrated a story about a horse that arrived in France with a broken back and was loaded onto a truck with a fork lift.

It was a terrible thing said Sid and what should he do about it?

"Write a letter to your Congressman," his lunch partner said—mostly because he couldn't think of anything else to say.

Who is going to listen to a little guy from Westmont, who flunked out as a race horse trainer because he didn't like some of the things he'd have to do to horses to make winners out of them?

Trying to get the government to respond to what people want is supposed to be a sick joke. People tried to tell the government it was involved in a lousy war, and what they got was armies of spooks and gumshoes lurking in the bushes. They complained that people were starving to death in the cities, and what they got was a lot of wardheelers lining their pockets with anti-poverty funds.

Nobody was going to tap Sid Trenchard's telephone over horses, of course, but his somewhat cynical lunch partner had no reason to expect anything more than a polite bureaucratic reply signifying nothing.

Only this time it didn't work out that way. Jim Florio, who represents Camden and Gloucester counties in the U.S. House of Representatives, and Sen. Harrison Williams not only wrote back to Sid but they actually started doing something about the way the horses are treated.

Sid wants the United States to follow Canada's lead. Canada simply banned the export of horses by ship until the Governor General—the Queen's representative and chief executive officer—could formulate some regulations for the humane treatment of horses that nobody wants any longer.

Florio wants to do the same thing in the United States and said he will send a bill winding its way through the House International Relations Committee that would ban sea shipment of horses until the U.S. Department of Agriculture sets up some guidelines.

On Monday, Harrison Williams announced that he is introducing the same kind of legislation in the Senate.

"Many persons experienced in the handling

and transport of horses contend that there simply is no way to ship large consignments of horses by sea over long distance," Williams said.

There will be a lot of dancing around with the bill in the Senate and the House, and the big-bucks horse shippers are certain to produce an elaborate study that says sea air is good for horses.

The bills might even get shot down. If so, Frenchmen will continue to be able to stand on their beaches and watch dead horses drift ashore after the ships arrive.

Just because they sit in the seats of the mighty doesn't mean that Jim Florio and Pete Williams can't be touched, and just because Sid Trenchard's cause is just doesn't mean he'll win for the horses that he cares about.

But at least Sid's got some people moving around, and conventional wisdom says a little guy isn't supposed to be able to do that any more.

[From the Philadelphia Inquirer, Aug 29, 1976]

CASTOFF HORSES—A STUDY IN CRUELTY

(By Jack Engelhard)

Thousands of American horses are shipped to Europe each year. Some are used for riding, many are used for food.

The horses used for food are sent over in ships, with sometimes as many as 1,000 crowded into the hold of a ship. Usually there are no means provided to protect them from one another and from protruding objects.

Some arrive at destinations in France or Italy broken and weary. For some the journey is so exhausting that, as soon as they walk off the ship, they lay down and die.

Sidney Trenchard of Westmont, N.J., a former jockey and trainer, had become a crusader for these American horses. He has already distributed petitions at retail stores to get the signatures of those who care. These signatures will be sent to Rep. James Florio, who has introduced legislation in the House for strict, humane guidelines for the shipment of these animals, some of whom were once pets.

In every store where Trenchard has placed a petition, he has included a photo. This shows a horse, suffering from a spinal injury, being unloaded in France. Other horses arrive with their eyes missing.

Trenchard's wife Peg says, "There's no telling what suffering goes on in those ships. It's about a 17-day journey and I question whether the horses even get food and water. They arrive battered and weary and just can't wait to die. They are just so exhausted. Pregnant horses are shipped. Old horses are shipped. Sick horses are shipped. Lame horses are shipped.

"They just don't survive the journey. One shipment was supposed to be 800 horses, 200 died.

"You can imagine what goes on before they die."

Trenchard himself is not available for comment because he is in the hospital. He has had heart trouble for some time, but he had been doing well until the frenzied pace of distributing the petitions set him back again.

The fact that American horses will continue to be sent overseas for slaughter is taken for granted. Nothing, it seems, can be done to stop that practice.

American shippers send horses to Europe live to avoid payment of a tariff on meat.

"It's bad enough that they're killed for the meat," says Mrs. Trenchard. "But the big battle is to eliminate the suffering."

One of the major collection points for American horses destined to be slaughtered in Europe is Richmond, Va. Horses are brought there from all over the United States, many of them purchased at auctions.

In some cases, individuals sell pet and pleasure horses for slaughter. Some do this unknowingly. Others know exactly what they are doing, but need the money.

The International Society for the Protection of Animals, of Boston, says that so far this year no American horses have been sent to Europe for slaughter.

This is so, according to one official, because of the "poor economic picture at the present time."

Persons who wish to halt the suffering of horses are urged to write to Thomas E. Morgan, chairman of International Relations, House of Representatives, Washington, D.C., 20515 in support of H.R. 15114.

Also, letters of support can be sent directly to Florio and Sen. Harrison Williams, both of whom are working on humane legislation.

THE NATIONAL NEIGHBORHOOD POLICY ACT—S. 3554

Mr. GARN. Mr. President, I wish to commend my colleagues for their action approving the National Commission on Neighborhoods to look at the role Government policy plays in neighborhood decline. I was very pleased to join with the distinguished Senator from Wisconsin, WILLIAM PROXMIRE, chairman of the Banking, Housing and Urban Affairs Committee, in sponsoring the National Neighborhood Policy Act.

Problems of our cities, whether they be large or small, are pretty much the same. For example, all urban areas are faced with the dilemma of how to deal with pollution—choosing between convenience and low cost on the one hand and a higher standard in the environment on the other.

There is practically no city in the country that does not have to cope with serious juvenile crime.

Most of our cities are confronted with growing poverty and welfare rolls while there is an erosion of the tax base.

Our cities are burdened with increasing deficits from urban transportation systems.

No city escapes the problems of municipal finance and most urbanites are resisting the ever-increasing local tax burden, particularly on real estate.

Although the ever-mounting economic and social difficulties of the big cities continually make the news, the small towns share these problems. The over 20 million citizens living in cities and towns whose populations range from 25,000 to 200,000 too often see the local economies contracting because of the general decline in agricultural employment, or the loss of such industries as coal mining, railroads, and textiles. Their plight should not be ignored by the Commission.

Let us look for a moment at some of the major problems created for our cities by government policy.

INFLATION

A major source of the present financial and fiscal problems which afflict elements of the State and local government sector is inflation. Under Secretary of the Treasury Edwin H. Yeo told Congress that inflation raises demand for an increase in services supplied by Government. It increases the State and local government employees' demands for higher wages and fringe benefits. While demands and costs are rising, inflation tends to reduce the real revenues of State and local governments that are generated with given tax rates. At the same time it increases taxpayers' resistance to higher State and local levies. One of the most important steps the Federal Government can take to aid the cities is to adopt monetary and fiscal policy to hold down the rate of inflation.

BUREAUCRATIC MEDDLING

If not the greatest spoiler of cities, certainly the greatest irritant to Governors and mayors has been the narrow categorical grant-in-aid programs. It is estimated that 80 percent of Washington's huge payments to State and local governments—approximately $55 billion—still come through the 1,100 narrowly defined specific Federal aid programs. These categories require extreme care with auditors, paper shufflers, and bureaucrats to make sure that the programs are within the narrow bounds of the particular category. The categories are so rigid that there is usually a great mismatch between each locality's actual needs and the Federal grant dollars available. We found ourselves, as local officials, being visited by the Federal bureaucrats with their "bag of solutions" and it became our challenge to find problems to match their solutions. This is clearly not the most effective way to utilize this Nation's resources. We must permit cities to make their own analyses and set their own goals and spend the money to accomplish them. Furthermore, many of these do-good programs dreamed up by the social engineers are counterproductive, leading to a deterioration rather than a strengthening of the quality of city life.

Much of the really serious mismanagement at the State and local level can be attributed to the programs dreamed up by the Great Society elitists. The problem lies with the social engineers who see as their primary mission the taking of tax money from the "haves" and bestowing it on some grateful constituency such as public employees. As public sector jobs have increased, private sector jobs have diminished. This has led to one of the most serious oversights of these programs—a need in the inner city for the creation of an environment attractive to business and private sector jobs.

We must more rapidly eliminate these categorical grant-in-aid programs and channel Federal resources back to the local communities through no-strings-attached revenue sharing programs. Local authorities and citizens must be restored the right to make the decisions which affect local affairs.

MISGUIDED HOUSING PROGRAMS

Misconceived Government policy in the housing area has been one of the big contributors to the decline of older neighborhoods. The early piecemeal urban renewal efforts wasted millions of dollars of capital improvements while the burden of high and rising taxation encouraged business to move away from the inner city areas and the landlords to let their buildings rot.

Federal money has largely been spent

on programs in inner cities that encourage expensive new housing rather than on the rehabilitation and repair of older dwellings. This has condemned much of the older housing in the inner city to certain death. Other programs further facilitate the flight of the middle income citizens to suburbia.

The social programs tacked on to the FHA by the National Housing Act of 1968 were a total disaster. Although their objective of providing hundreds of thousands of homes at low cost and easy terms for low and moderate income families was laudable, the program for 100 percent insurance without risk led real estate operations to put poor risks into homes and profit on a high default rate.

Federal regulations such as the Truth in Lending Act, RESPA, and more recently the Federal Trade Commission's holder-in-due-course rule, have placed an intolerable paperwork burden on lenders, particularly in the home improvement area. Unless these problems are straightened out at an early date we may see a further shrinking of availability of private credit for the rehabilitation of older houses.

This Commission has a special responsibility to determine the effect these laws have had on the decline of older neighborhoods.

CRIME AND EDUCATION

Crime and the deterioration of education have been symptomatic of neighborhood decline.

The law enforcement system has become a turnstile where punishment is the exception rather than the rule. Much of this is due to the meddling of the Federal courts in State criminal procedure. Federal policy must be changed to return to the local criminal justice system the power to act swiftly and fairly if domestic tranquility is to be restored in the urban areas.

Similarly, Federal intervention in education may be a contributing factor to decline in the quality of education in the inner city. Elementary and secondary schools in many urban areas are virtual blackboard jungles turning out illiterates. School systems are required to spend massive sums on busing, thus wasting scarce resources. College athletic programs are on the verge of disintegration due to ill-conceived affirmative action programs emanating from the bureaucracies in Washington.

Although it may not be within the jurisdiction of this Commission, the problem needs further study.

A NEEDED POSITIVE APPROACH

Having looked at some of the negative aspects of Government policy, I would like to turn to areas where I feel the Federal Government can be a positive force in the revitalization of our cities. One example is a program involving a minimum of Federal intervention outlined earlier to the Banking, Housing and Urban Affairs Committee by Garth Marston of the Federal Home Loan Bank Board.

The neighborhood housing service program, jointly sponsored by the U.S. Department of Housing and Urban Affairs, Federal Home Loan Bank Board, Federal Home Loan Bank System, Federal Reserve System, Federal Deposit Insurance Corporation, and Comptroller of the Currency, involves a three-pronged cooperative attack on neighborhood decline. It requires a commitment from local government to provide required services such as code enforcement, transportation, education, health and recreation facilities, police and fire protection, street repair, and trash collection.

Next and most important is that the neighborhood residents be involved. They must take a leadership position and be willing to commit their own time, effort and money to upgrading and preserving their neighborhood.

Finally, the lenders must reaffirm their interest in mature neighborhoods and commit themselves to time and effort to make economic loans in these areas. The Federal Government's role is a limited one of providing some seed money and some guidance. The worst thing that could happen to this program would be for the Federal Government to step in and take it over.

Another step Government can take would be to adopt a policy to make it profitable for lenders to invest in the inner city. We have seen a dramatic withdrawal of lenders from the housing area. Life insurance companies have almost totally withdrawn. Pension funds have never been involved in housing lending. The FHA, VA, FNMA, FHLMC do not lend in the center cities.

Some of the steps that might be taken would be to encourage secondary market investments through mortgage backed securities. It has also been suggested that Government participate on a limited basis in a coinsurance program. More thought should be given to the use of flexible mortgage instruments which are adaptable to today's inflationary expectations.

Finally, there is a need for a review of the property tax structure. In neighborhood improvement we run into a vicious cycle. People are encouraged to improve their property in their neighborhoods and values go up. Then they are taxed more heavily and some are unable to afford to live in the improved property.

We, as a Nation, are learning that not only do we have finite financial resources, but our land resources and material resources are also becoming more limited. The older neighborhoods are beset by a long list of ills such as redlining, block busting, speculation, and physical deterioration, but they are only symptoms of a far more complex problem. There are no simple solutions, but the Commission will serve to focus our concern and resources. We must reconsider and hopefully redirect our Nation's attitude and policy toward existing city neighborhoods, and this Commission will provide a complete analysis and list of recommendations for action by the Federal Government—but more importantly, by the localities.

In sum, Mr. President, this is a complex, many-faceted problem. Although it is easy to identify causes, it is not as simple to discover acceptable solutions. The National Commission on Neighborhoods will hopefully develop some, and thus help to redirect our Nation's attitude and policies towards revitalizing city neighborhoods.

CYPRUS TRAGEDY CONTINUES

Mr. KENNEDY. Mr. President, the crisis on Cyprus has now entered its third year, and the passage of time has only deepened the tragedy confronting the Cypriot people. Since Turkey's invasion of the island in 1974, little has changed; the refugees remain homeless; the island remains divided; and Turkish troops have entrenched their occupation of northern Cyprus.

Two years of Turkish intransigence has not only prolonged the tragedy on Cyprus, but it has also undermined all efforts to achieve a negotiated settlement.

Indeed, commitments and obligations assumed by the Turkish authorities, as a result of intercommunal agreements or understandings, have been broken at will. Nothing illustrates this more perhaps than the flagrant and continuing violations by Turkish authorities of the intercommunal agreements concluded in Vienna a year ago.

The agreements were in part a quid pro quo: the Cypriot-Turks living in government-controlled areas in the South would be allowed to go to the occupied areas under United Nations auspices if the Cypriot-Greeks living in the occupied North were allowed to remain and live normal lives under U.N. protection. The record shows that the Government of Cyprus expeditiously and humanely carried out its obligations under the Vienna agreements and permitted the free departure to the North of all Cypriot-Turks who wished to leave.

But Turkish authorities have broken every principle of human decency by harassing, mistreating, and expelling Cypriot-Greeks living in the occupied areas. Out of some 11,000 to 12,000 Cypriot-Greeks who were living in the North at the time of the invasion, little more than 5,000 still remain. And those that do continue to be harassed.

Recent reports from the field confirm this. A most graphic account, for example, is reported in this week's issue of the Economist of London, which I would like to share with the Senate. I ask unanimous consent that it be printed at this point in the RECORD.

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

[Excerpts from the (London) Economist, Sept. 4, 1976.]

CYPRUS—A BITTER LEMON SQUEEZED DRY

Bellapais, the Greek Cypriot village made famous by Lawrence Durrell's "Bitter Lemons", is no longer Greek: two weeks ago its last seven Greek inhabitants gave up the struggle against the Turkish squeeze. With their departure the number of Greek Cypriots in the entire Kyrenia district of northern Cyprus is now fewer than 30. Because of this, the Turkish authorities say that the United Nations force in Cyprus no longer needs a post in that area.

This demand is the latest move in an eight-month tussle which arises from the need to draw up a new agreement governing

the status of Unficyp—the United Nations Force in Cyprus—in the Turkish-occupied north of the island. It has been the consistent policy of the Turkish authorities, ever since the 1974 invasion, to limit or eliminate the 1974 invasion, to limit or eliminate the UN presence. After months of bargaining, the Turkish and UN positions are far apart on a dozen issues, even though the UN has conceded certain points—for instance, Unficyp is prepared to reduce the number of its posts in the north in return for a written promise that the Turks, contrary to present practice, would allow UN patrols to move freely and to contact the steadily dwindling number of Greek Cypriots without Turkish supervision. The bargaining has now reached a decisive stage because the Turks want the UN to call the Turkish Cypriot leader, Rauf Denktash, by his self-assumed title of "President of the Turkish Cypriot Federated State".

This the UN flatly refuses to do, which is hardly surprising since every decree issued by Mr. Denktash has to be countersigned by a Turkish officer of the lowly rank of major. If no agreement is reached because of this sticking point, the UN force could conceivably have to pull out completely from the occupied area and leave the remaining Greek Cypriots without protection. And that, in turn, will make it easier for Mr. Denktash to implement his repeated threat of declaring an independent state of Turkish Cyprus. The only thing really stopping him is Turkey's obvious intention to convert northern Cyprus into a province of Turkey; the administrative absorption of the area into Turkey is going on apace. An independent state would block this process.

Whatever the outcome, the demographic Turkification of the north will soon be complete. Towns and villages such as Kyrenia and Lapithos which stood empty and ghostly until April are now filled with settlers, some Turkish-Cypriot, some mainland Turks. The return of the original inhabitants is ruled out, and the Turkish authorities now say quite openly that the remaining 5,800 Greek Cypriots in the north (of a total of 14,500 two years ago) will be reduced by half by Christmas.

Mr. KENNEDY. Mr. President, the developments on Cyprus described in this article—and there are many—not only call into question the good faith of the Cypriot-Turkish leadership in negotiating agreements, but also raises troubling questions over Ankara's intent on Cyprus. The obstructionist attitudes and actions displayed by Turkish authorities toward the intercommunal agreements, and toward the resumption of meaningful negotiations, not only prolongs the Cyprus tragedy but further aggravates America's and other nations' interests and relations in the eastern Mediterranean.

As I noted in a statement to the Senate on July 23—the second anniversary of the Turkish invasion of Cyprus—these developments on Cyprus raise questions over the failure of our diplomacy with Turkey in resolving the Cyprus problem. The administration's hopeful rhetoric over the future of Cyprus negotiations—most recently seen in the President's August 6 report to Congress on Cyprus negotiations—is fast reaching a point of no return.

The time is long past due for the President and members of his administration to speak out on Cyprus and to clarify once and for all our policy toward this tragically divided island and toward our related interests and relations in eastern Mediterranean.

Rather than sending to Congress requests for millions of dollars in new military aid to Turkey I would hope the President would send the answers to the questions I posed in my statement last July:

QUESTIONS

What is the Administration doing to move Turkey and the Cypriot-Turkish Administration, the stronger parties to the dispute, toward conciliation and settlement?

What is the Administration doing to support the continuing and generous efforts of United Nations Secretary General Waldheim to bringing about some real progress in resolving the territorial and constitutional problems of Cyprus, and the many humanitarian issues of immediate concern to the parties directly involved?

What is the Administration doing to support the free movement of UNFICYP units in the occupied areas of northern Cyprus?

What is the Administration doing about the flagrant violations of intercommunal agreements by the Turkish occupation authorities and the Cypriot-Turkish Administration?

What is the Administration doing about apparent "colonization" of occupied Cyprus by Turkish Nationals?

What is the Administration doing in support of congressional initiatives to continue meaningful U.S. humanitarian assistance for the refugees and other war victims on Cyprus?

What is the Administration doing about the continued presence of some 30,000 Turkish troops on Cyprus, who are heavily armed with American supplied weapons?

And what is the Administration doing about the apparent ceasefire violations of these Turkish troops on Cyprus?

Mr. President, given the hardening impasse in resolving the Cyprus problem and the deteriorating situation on the island, these questions and more must be concretely answered by the administration before Congress and the American people will be convinced that our national leadership is doing everything it can for the people of Cyprus and the good future of their country—much less for our national interests in the eastern Mediterranean.

An certainly I, for one, must have these answers before considering the President's new requests for military aid to Turkey. We cannot pretend that the Cyprus tragedy has no relation to our bilateral relations with Turkey, nor that our traditionally good relations can be restored without some real progress in resolving the Cyprus problem.

Mr. President, I would like to share once again with my colleagues the recommendations I have offered regarding Cyprus and which I hope will contribute to our country's effort to bring peace and relief to the people of Cyprus. I ask unanimous consent that these recommendations be printed at this point in the RECORD.

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

CRISIS ON CYPRUS—1976: CRUCIAL YEAR FOR PEACE

(A staff report prepared for the use of the Subcommittee to Investigate Problems Connected wtih Refugees and Escapees of the Committee on the Judiciary, U.S. Senate, 94th Congress, 2d Session, January 19, 1976)

RECOMMENDATIONS

The Cyprus problem, and American policy toward this troubling issue, has reached a crucial phase. And for the purposes of this report, the Subcommittee Chairman makes the following recommendations relating to the human and political tragedy of Cyprus.

1. The Cyprus priority in repairing U.S. relations with Greece and Turkey

Whether American diplomats like it or not, real progress toward an honorable and just resolution of the Cyprus problem is crucial in repairing our traditionally good relations with the people and governments of both Greece and Turkey, and in stabilizing our security interests in the Eastern Mediterranean. It is illusory to assume that these relations can be fully repaired and our interests fully stabilized without real progress on Cyprus.

Moreover, the routine promises of progress in the past have brought little comfort to the refugees and distressed people on Cyprus. Their plight remains unchanged.

1976 must finally bring a new priority to the Cyprus problem in American diplomacy and a new determination by our Government to facilitate real progress in normalizing the lives of the Cypriot people. As the President reported to Congress on December 8, 1974: any further delay "in resuming the intercommunal talks will harden attitudes and make future progress more difficult."

The imperative for American diplomacy has really been more clear, and, if we fail to act, so too are the dangers of new conflict on Cyprus and the threat of further erosions in our relations and interests in the Eastern Mediterranean.

2. Restoration of the full independence, sovereignty and territorial integrity of Cyprus

Despite the stubborn occupation of Northern Cyprus by Turkish forces, the *de facto* partition of the island, and the pronounced drift toward the creation of a quasi-state in the occupied areas, the restoration of the full independence, sovereignty, and territorial integrity of Cyprus must be a fundamental objective of American policy and diplomacy.

No other goal better satisfies justice or the bringing of peace and relief to the unhappy peoples of Cyprus—both Cypriot-Greeks and Cypriot-Turks.

As noted in this report, there have been recent reaffirmations of this cardinal point by President Ford and Secretary of State Kissinger. This is an encouraging development, and fully reflects numerous United Nations resolutions since 1974, including the General Assembly resolution of November 20, 1975.

3. Opposition to a unilateral declaration of independence by the Cypriot-Turkish administration

The Cypriot-Turkish leadership threatens to declare the Turkish-occupied area of Cyprus as an independent, sovereign state.

Given its record of fulfilling other threats over the past eighteen months—including the creation of the *Turkish Federated State of Cyprus* in February 1975—the reckless threat of a Unilateral Declaration of Independence must be taken with some degree of seriousness.

A Unilateral Declaration of Independence would clearly violate the publicly stated policy of Ankara and would not be in the best interests of the Cypriot people. It would also threaten needless violence and conflict, and would enormously complicate any subsequent efforts to reunify the island.

The United States should make clear, now that it will not recognize a Unilateral Declaration of Independence by the Cypriot-Turkish leadership, and will actively oppose its recognition by other nations. Diplomatic efforts must be made to dissuade the Cypriot-Turkish leadership from pursuing such a

policy and Ankara from encouraging or condoning it.

4. Support for implementing inter-communal agreements and the resumption of inter-communal talks

The United States, in concert with others, must use its influence and good offices with Turkey to persuade Ankara to give its full and active support to the implementing of intercommunal agreements and the resumption of inter-communal talks under U.N. auspices.

In good faith the Cypriot-Greek leadership, the Government of Cyprus, has negotiated with the Cypriot-Turkish leadership over the resolution of inter-communal problems and the future of Cyprus, and the Government of Cyprus is prepared for an early resumption of these negotiations under U.N. auspices.

The same cannot be said, however, for the Cypriot-Turkish leadership and the Government in Ankara. For one thing, the Cypriot-Turkish leadership has flagrantly violated last August's inter-communal agreement on the treatment, protection, movement and normalizing of life among both Cypriot-Greeks and Cypriot-Turks.

The agreement, concluded in Vienna under U.N. auspices, in part provided for the free movement to the occupied areas of Cypriot-Turks residing in Government controlled areas, and for the protecting and normalizing of life among Cypriot-Greeks remaining in the occupied areas.

The Government of Cyprus scrupulously carried out its part of the agreement, and today all but a handful of Cypriot-Turks live in the occupied areas. But the conditions of Cypriot-Greeks remaining in the occupied areas has steadily deteriorated, and the Cypriot-Turkish leadership has declared the agreement null and void.

The situation not only calls into question the good faith of the Cypriot-Turkish leadership in negotiating the agreement, but also raises troubling questions over Ankara's intent on Cyprus.

The obstructionist attitudes and actions displayed by the Cypriot-Turkish leadership toward the implementation of some past agreements, and understandings with the Cyprus Government—and toward the early resumption of intercommunal talks—must not be permitted to prolong the Cyprus problem and further aggravate America's and other nations' interests and relations in the Eastern Mediterranean.

Turkey, as the occupying power in northern Cyprus, clearly has some influence over the attitudes and actions of the Cypriot-Turkish leadership. Ankara should move firmly and expeditiously to promote the Cypriot-Turkish leadership's implementation of solemn agreements with the Government of Cyprus concerning Cypriot-Greeks in the occupied areas, and to promote as well the very early resumption of inter-communal talks under U.N. auspices and meaningful progress toward a just and honorable resolution of the Cyprus problem.

The United States Government will hopefully give some better evidence that it is seriously working to accomplish these ends.

5. Immediate withdrawal of Turkish forces

The heavy presence of Turkish forces on Cyprus, and other factors associated with Turkey's consolidation of its position in the occupied areas of the island, is impeding meaningful inter-communal negotiations and a resolution of the Cyprus problem.

In the spirit of the Geneva Declaration of July 30, 1974—agreed to by Greece and Turkey—and the numerous United Nations resolutions on Cyprus, Turkey should immediately begin the withdrawal of substantial number of its occupation forces on the island.

No viable solution to the Cyprus problem or lasting peace is possible without the timely and phased withdrawal of Turkish occupation forces and armaments. Especially now, at this crucial juncture of the Cyprus problem, Ankara should begin this withdrawal process—as a *gesture of goodwill* to the people of Cyprus and as a *sign of good faith* in meaningful progress at a new round of inter-communal talks under U.N. auspices.

6. A basic principle: The return of refugees to their homes

The plight and fate of the Cypriot-Greek refugees—who were driven from their homes and deprived of their livelihoods during the Turkish invasion of 1974—remains central to the resolution of the Cyprus issue. A viable and just solution to the Cyprus problem will not be found unless and until the basic principle of the right of refugees to return to their lands and homes, or to be fully compensated for their losses, is recognized by all parties concerned.

During the past year and a half, the issue of Cypriot-Greek refugees returning to their homes has been increasingly complicated by events on the island, such as the mass movement of virtually all Cypriot-Turks, who resided in Government-controlled territory, to the occupied areas in the northern part of the island. Most of these Cypriot-Turks have moved into houses belonging to Cypriot-Greek families who are now refugees in the south.

The return of refugees to their homes is further complicated by the "colonization" of the occupied areas by mainland Turks, transported from Turkey, or by third country nationals, such as Pakistani laborers. This continuing population movement from mainland Turkey threatens to alter dramatically the demographic patterns of Cyprus. Regrettably, the United States and others have been remiss in failing to speak out strongly against this apparent "colonization" policy of the Turkish Government in Ankara.

However, despite such developments, the principle of the right of the return of Cypriot-Greek refugees to their homes must be reaffirmed, as well as the corollary principle of full and generous compensation for those who do not return home. These principles are central to any meaningful negotiations of the Cyprus question, and the United States must give them full support.

THE GENOCIDE CONVENTION AND FREEDOM OF SPEECH

Mr. PROXMIRE. Mr. President, opponents of the Genocide Convention have often expressed concern over the meaning of the phrase "direct and public incitement to commit genocide," especially as it relates to the first amendment's freedom of speech guarantees.

However, actions constituting direct and public incitement to commit genocide cannot be construed as an exercise of free speech. Rather, there is a clear line between protected speech and the prohibition of the convention against direct and public incitement. The Supreme Court reaffirmed this distinction in the 1969 case of Brandenburg against Ohio:

The constitutional guarantees of free speech and free press do not permit a State to forbid or proscribe advocacy of the use of force or of law violation except where such advocacy is directed to inciting or producing imminent lawless action and is likely to incite or produce such action. (395 U.S. 444.)

This decision refutes those critics who insist that direct and public incitement to commit lawless actions is protected by the Constitution.

The act of genocide is a most tragic and final end to the exercise of free speech. Certainly the Jews in Nazi Germany did not have the opportunity to exercise freedom of speech. Furthermore, genocide violates not only an individual's rights but the rights of an entire group.

The Genocide Convention does not seek in any way to inhibit or prevent freedom of speech. It does attempt to inhibit and prevent the tragic act of genocide. In doing this it is necessary to include "direct and public incitement to commit genocide" as a punishable act, an act which in no way can be construed as a protected exercise of free speech. As a small step forward in protecting the free speech of all peoples, we must ratify the Genocide Convention.

SUGAR

Mr. INOUYE. Mr. President, on August 19 I wrote to the President to express my concern over this administration's apparent indifference to the serious threat to domestic sugar producers caused by the rapidly declining price of sugar which has now reached a level below the cost of production. In response I received a letter from L. William Seidman, Assistant to the President for Economic Affairs, dated August 31. I ask that my letter and Mr. Seidman's reply be printed in the RECORD.

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

THE WHITE HOUSE,
Washington, D.C., August 31, 1976.

Hon. DANIEL K. INOUYE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR INOUYE: The President has asked me to thank you for your thoughtful letter of August 19 concerning the current sugar situation.

As you know, it is this Administration's policy to shift agricultural policy, including sugar policy, toward a market orientation. By increasing our reliance on market prices and returning decision-making to those individuals best qualified to make the decisions—U.S. growers and producers of agricultural commodities—we will make the best use of our resources.

During recent months we have been monitoring closely developments in the sugar market. In light of the recent decline in sugar prices, an interagency task force was established to review the sugar situation and outlook and to assess the policy implications of that outlook.

We appreciate having the benefit of your views which I am sending to the task force reviewing the situation where I am sure they will be carefully considered.

Sincerely,

L. WILLIAM SEIDMAN,
Assistant to the President for Economic Affairs.

U.S. SENATE,
Washington, D.C., August 19, 1976.

Hon. GERALD R. FORD,
President of the United States, The White House, Washington, D.C.

DEAR MR. PRESIDENT: On March 11th of this year, I joined with Senators Long, Curtis, and Dole in expressing concern over the threat posed by your Administration's sugar policy for our domestic producers. We specifically emphasized the need for improved communications with the participants in your Administration's Sugar Policy Study.

A response promising such improved communications was received. On June 17th, Chairman Long of the Finance Committee again wrote to you on this important matter and shared with me the response to that communication from Bill Seidman.

In Mr. Seidman's letter of July 7th the argument is strongly made that your Administration is committed to a free and open market in sugar. The expiration of the Sugar Act on December 31, 1974, and your administrative actions with respect to quotas and tariffs of November 18, 1974, confirm that commitment as does the lack of any governmental action since that date.

Mr. Seidman noted in his letter that while some price fluctuations can be expected, "Evidence available at this time, however, does not suggest that these price fluctuations will be extreme during the remainder of this year. The close supply-demand balance of the 1975–76 crop year of 81.3 million metric tons and 80.8 million metric tons, respectively, resulted in only a slight increase in stocks to a level of 15.3 million metric tons. Thus the stock-consumption ratio remains at a relatively low level as we enter the 1976–77 crop year. While production is projected to increase in the 1976–77 crop year, a major portion of that increase was expected from Western Europe. It now seems likely, however, that drought conditions will reduce the West European crop significantly. U.S. beet plantings declined by 3 percent this year. In addition, consumption is expected to increase this year as the world's economies recover from the recent recession. The production forecasts are tenuous at this point since the beet crops in the Northern Hemisphere countries depend heavily on weather between now and harvest time.

In short, we see no reason to be alarmed at price prospects for the remainder of this year given the current outlook, but we will continue to watch the situation closely.

In a period of high prices such as those experienced in the last six months of 1974 and in 1975 few voices were raised in protest. I did warn as early as July, 1974 of the threat to the domestic producers because of the workings of the international sugar market in remarks on the Senate floor. My warnings have continued in December, 1974, in February, May and July of 1975 and again in February and March of this year.

Recent sharp declines in the price of raw sugar to under 12 cents per pound cause me to again raise this issue with you. That current price is under the cost of production for most cane producers in my State. Sugar cane is our number one agricultural industry and the number three source of income to the people of my State, after tourism and Federal government expenditures.

In the past few years, the State of Hawaii and Hawaii County has appropriated and allocated some $4.6 million in efforts to find alternative economic uses and employment opportunities for the manpower and resources employed in just one sugar plantation at Kohala which closed down due to economic conditions in 1975. Frankly, this effort has achieved very limited success for there is no substitute which can come close to providing the income and employment which sugar has historically provided for the people of my State.

A healthy sugar industry is absolutely vital to our welfare and it is my belief that an active sugar policy which protects the American producer from the sharp swings in the price of sugar in the international sugar market is in the best interests not only of the American producer but also of the American consumer.

I, therefore, urge reconsideration of your present policy and early action to shore up the fast falling sugar prices.

Aloha,

DANIEL K. INOUYE,
U.S. Senator.

Mr. INOUYE. Mr. President, Mr. Seidman reiterates the standard administration tribute to the concept of a free market for agricultural commodities, including sugar, thereby disclosing that he is either ignorant of the facts or willing to ignore them when it comes to the situation in my State.

In Hawaii there is no alternative crop which can be raised instead of sugarcane. Diversification of agriculture has been an elusive goal which has been attempted for decades, without success. The suggestion made by Mr. Seidman that market oriented agricultural policy returns decisionmaking to "individuals best qualified to make the decisions—U.S. growers" is an empty gesture to the sugarcane growers in my State.

It appears absurd to argue as the administration does, that the individual grower or producer can best make rational decisions on sugar production from the operations of a "free market" when the best brains in the administration have demonstrated such inability to forecast with any degree of accuracy what sugar prices will be. As I noted in my letter to the President, as late as July 7, Mr. Seidman wrote to Senator LONG—

> We see no reason to be alarmed at price prospects for the remainder of this year given the current outlook . . .

Further, if decisionmaking, in Mr. Seidman's view, means making a choice of what crop to raise, it is a luxury which the growers in Hawaii do not enjoy. Even if there were feasible alternative crops for the 225,000 acres of fields now growing sugarcane, and so far we have not discovered any, the particular circumstances in Hawaii preclude a switch in response to market conditions except over a very long term. Our sugarcane grows, on the average, 2 years before the first harvest.

After the initial harvest, the root structure of the cane plant is left in the ground and successive crops are taken at approximately 2 year intervals. We expect at least three crops from one planting so the crop cycle from beginning to end is approximately 6 years. Obviously, the Hawaiian sugar industry is not an in and out proposition as is the case with many other agricultural commodities which are planted and harvested in less than 1 year.

Instead of taking the regulatory steps available under existing statutory authority, this administration chooses only to monitor developments in the sugar market and has formed an interagency task force for that purpose. Such a group has been in existence since early in the year and issued a report dated March 1976. The average domestic price for raw sugar during that month was 16.27 cents per pound. In April it was 15.58 cents per pound, in May 15.97, June 14.40, July 14.59, August 11.32. On September 7 it has declined still further to 9.35 cents. Domestic producers cannot remain in business at that price level.

The sugar industry is vital to the economy of the entire State of Hawaii. Sugar producers employ approximately 9,000 full-time workers who work throughout the year with a payroll of approximately $110 million. Sugar is the third largest source of income to the State, contributing about $368 million to the economy in 1975. It is our largest export.

To sit idly by, as this administration is doing, witnessing the further decline of this industry so essential to the fragile economy of Hawaii is inexcusable. Administration action under existing quota and tariff-setting authority is not a substitute for a long-range program devised by the Congress. It is badly needed, however, until a comprehensive sugar program can be enacted.

IMPROVING LEGAL REPRESENTATION FOR OLDER AMERICANS

Mr. KENNEDY. Mr. President, the 1975 Older Americans Amendments included several important provisions to strengthen legal representation for the elderly. Hearings conducted by the Senate Committee on Aging provided a solid foundation for the enactment of these measures.

Legal counseling is now, for example, a priority service for funding under the title III, State and community programs on aging. In addition, title IV specifically authorizes the training of lawyers and paraprofessionals to provide legal counseling for the elderly and to monitor the administration of programs for older Americans.

As a sponsor of these provisions, I am concerned that they are effectively implemented by the Administration on Aging.

Quite clearly, legal problems continue to be a major concern of the elderly. This point was made very compellingly during a recent hearing I conducted on behalf of the Committee on Aging in Boston.

Witnesses—including elderly clients, legal services attorneys, senior citizen leaders, a member of the Massachusetts Bar Association, and persons in the audience—emphasized that many older Americans now find themselves in an impossible situation when a legal problem arises. Too many of the poor elderly continue to be outside the reach of legal services.

Moderate-income persons also face serious problems. Typically they have too much income to qualify for legal services, but not enough to pay an attorney $40 to $100 an hour, or whatever the going rate is.

The net impact is: large numbers needlessly accept deprivation because they cannot obtain competent representation at a price within their reach.

In addition, the hearing provided clear and convincing evidence that older Americans are underrepresented in the legal services program. A recent study by the Legal Services Corporation revealed that persons 65 or older account for about 7 percent of legal services clients. Yet, the elderly constitute 24 percent of the adult poverty population.

Many elderly persons simply are unaware of the existence of legal services. Others experience difficulty in reaching a legal services office, particularly the infirm or those with mobility restrictions.

Witnesses also discussed in very moving terms the problems they encounter in dealing with Federal benefit programs and Government agencies.

One elderly woman in a public housing project paid $16 for an electric heater because her apartment was too cold in the winter. And when the temperature became unbearable, she moved in temporarily with a relative.

Senior citizen leaders, as well as attorneys, emphasized the important role of paralegals in counseling older Americans on numerous issues. They also stressed that an elderly paralegal may be more effective in assisting an aged client under certain circumstances than a private attorney.

All in all, the hearing provided fresh new perspectives on legal problems of direct concern to older Americans, including housing, the offset in Federal benefit programs when social security benefits are increased, and utility shutoffs.

Mr. Wendell Coltin, of the Boston Herald American, has written an excellent account describing the major issues raised at the hearing.

Mr. President, I commend this account to my colleagues and ask unanimous consent that it be printed in the RECORD.

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

[From the Boston Herald American, Aug. 31, 1976]

FREQUENT ABUSES REPORTED: ELDERLY'S LEGAL RIGHTS TOLD

(By Wendell Coltin)

A state department of Elder Affairs' ombudsman told Senator Kennedy yesterday that some nursing homes refuse to keep longtime private patients after their savings shrink to the level at which they become eligible for public assistance (Medicaid).

"This is discriminatory," lawyer John J. Donovan of Milton, the ombudsman, charged. "It creates two classes of citizens: those who can stay in the home and those who are turned out."

The patients are transferred out of the homes, Donovan said, under an agreement stipulated in contracts they are asked to sign upon entering the homes and after they have spent, in some instances, $12,000 to $15,000.

Donovan was among several witnesses who testified at a hearing in Gardner Auditorium chaired by Kennedy for the U.S. Senate Committee on Aging. The topic of the hearing was "Improving Legal Representation for Older Americans."

After describing what she called "ridiculous conditions" at the Franklin Field Housing Project, where she is a tenant, Mrs. Cecelia Fennessey, 70, was asked by Kennedy, "Were you able to get legal counsel?"

"Yes, she answered. "I went to an undertaker to make plans for my burial. I paid a $200 deposit toward a $1750 bill that I was told could go more. I was asked later, 'Did I know the place was being closed and was not in business anymore?' I went to the legal service. They are helping me to get my deposit back."

Kennedy, prior to testimony, told the elderly and their advocates—more than 200 persons—his committee has held several hearings in Missouri, California and Washington, which have re-emphasized the fact that the elderly are not receiving adequate legal services. He announced Massachusetts will soon receive funding from the Administration on Aging for a special legal services' advisor to work in the office of the secretary of elder affairs. He said more than $1 million is being allotted nationwide to provide a legal services' attorney in each state office.

Yesterday's witnesses told Kennedy many elderly persons who could use legal assistance do not seek it because they either feel they cannot afford it or don't know where to go for it.

The work of elderly paralegals in the Council of Elders was explained by Richard McCusker, a paralegal who told of the opportunity for lawyers to provide public service to the elderly.

It was after Donovan testified that Kennedy asked, "What about the transfer business?"

Donovan explained, "We have found elderly people are admitted to some nursing homes, where they have $12,000 to $15,000 in personal funds—more than the maximum allowed for public assistance.

"They sign a contract stating that they will not be kept as public assistance cases. They pay $1000 a month or more, and along about the end of the tenth month, when their funds have shrunk and they have $2000 and are in need of public assistance, they are told the home can't keep them and they must be transferred. This is discriminatory! They are turned out when they become eligible for public assistance. I think such contracts should be eliminated."

McCusker said he and other paralegals "try to assist the elderly with Social Security, SSI, housing and tenant-landlord problems. We try to reach the elderly by outreach. Each case is reviewed by an attorney. Many cases can be brought to a conclusion by the paralegals. We are looking for additional funding."

He told of paralegals being able to get a 62-year-old woman who was living with her son reinstated for SSI benefits that had been taken away from her.

Mrs. Melnea Cass of Roxbury, president of the Council of Elders, said, "Many persons grow older without knowing the advantages of having a lawyer . . . Many don't make a will. They don't want their family to know what they have for money. They die. Money is found under mattresses and rugs when they die. They are suspicious of young lawyers and fear them."

Dr. James S. Peace, state director of the National Retired Teachers' Ass'n, said, "The elderly experience legal problems that are unique to them. For example: age discrimination in employment; protection with respect to nursing care and involuntary commitment; enforcement of pension rights; and eligibility for special tax relief programs. They represent 17 percent of those eligible for free legal services, but only 6 percent are actually served, a study showed."

THE NATIONAL NEIGHBORHOOD POLICY ACT—S. 3554

Mr. PROXMIRE. Mr. President, I am delighted that the Senate has passed S. 3554, the National Neighborhood Policy Act.

Mr. President, at long last, we are beginning to understand that neighborhoods are the key to cities. Healthy urban neighborhoods, even though they may be located within a huge metropolis, have all the virtues of community that are lost when cities become alienating, impersonal places. If neighborhoods die, cities will not be worth having.

In our series of hearings, the Banking Committee found an enormous reservoir of faith in the old city neighborhoods on the part of the people who live there. We found that even if some bureaucrats and some bankers and some planners may believe that neighborhoods inevitably "decline", the people who are attached to their communities can prove otherwise. As an article in the Washington Post commented recently, this has been the year of the rediscovery of neighborhoods.

Unfortunately, Federal urban policies and programs have all too often slighted neighborhoods. The assumption has been that somehow it is possible to revive cities without building on the existing neighborhoods. But the truth is that only by reviving neighborhoods can we restore cities to their greatness.

The National Neighborhood Policy Act will make that recognition a matter of national policy. It will establish a Presidential commission with a life of 2 years, and a mandate to investigate the various ways that Federal, State, and local policies and programs affect neighborhoods. Where do they help and where do they hurt? The bill speaks not just of housing programs in the narrow sense, but of other ways in which public policy influences the ability of neighborhoods to survive; for example, Federal, State, and local tax preferences, bank regulation, zoning, and so forth. Do these policies create incentives for the private sector to preserve, or to demolish? Do they promote conservation, or abandonment?

Second, the Commission will make recommendations for policy changes to make public policies, laws and programs more conducive to the goal of neighborhood preservation. Among other duties, the Commission will recommend new policies to promote reinvestment in existing neighborhoods, community participation in local governance, policies to permit diverse neighborhoods to survive and to discourage blockbusting, red-lining, destructive speculation, and to promote urban homeownership also, policies to promote better maintenance of existing rental housing, and to make maintenance and restoration at least as attractive from a tax viewpoint as demolition and development of new structures.

The Commission will include 16 broadly representative public members, a majority of whom shall be local public officials and representatives of neighborhood organizations, plus two Members of the House and two from the Senate, with the Chairman and Executive Director subject to Senate confirmation.

S. 3554 was first cosponsored by Senator GARN and myself. It was reported by the Banking Committee, without dissent. The bill was broad, bipartisan cosponsorship, including the support of the administration. The cosponsors include Senators: GARN, DOMENICI, HUMPHREY, MORGAN, PELL, HUGH SCOTT, TOWER, PERCY, STEVENSON, and MATHIAS. The House Banking Committee plans to expedite action on a companion measure.

Instead of being an interesting, but incidental aspect of housing policy, preservation of existing housing and established neighborhoods must become its main objective.

Mr. President, if this country ever could afford to abandon viable homes only to duplicate them on somebody's cornfield at great cost, we can no longer afford that kind of waste.

S. 3554 will provide recognition that we as a society have outgrown the mentality that says use up neighborhoods and throw them away, and it will recommend

some remedies to promote reinvestment in our city neighborhoods.

DR. WILLIAM LUCAS, MSFC DIRECTOR, ADDRESSES "BENEFITS FROM THE SPACE PROGRAM"

Mr. ALLEN. Mr. President, on August 19 I had the distinct pleasure of attending the annual meeting of the Alabama Space Science Exhibit Commission, of which I am a charter member and the first chairman. The commission has oversight responsibilities for operation of the Alabama Space and Rocket Center, built by the State of Alabama in Huntsville, Ala., with funds from a bond issue approved by the people of our State. The center houses one of the finest collections of space and military rocketry memorabilia and exhibits to be found anywhere in the world, and it attracts some 100,000 visitors a year.

During this meeting, it was my honor to introduce Dr. William R. Lucas, director of the Marshall Space Flight Center, one of the pioneers of our Nation's military and civilian space program. He has the distinction of being the only director of a National Aeronautics and Space Administration center to have risen through the ranks. Starting his career as a beginning scientist when the Army began its rocket and missile research and development work at Redstone Arsenal, Ala., he transferred to NASA when the Marshall Space Flight Center was created under Dr. Wernher von Braun.

Dr. Lucas rose from the journeyman level to center director on the basis of his outstanding contributions to NASA. He is credited with developing the ablative technique for space vehicles that prevents them from overheating. Although this technique was developed for use on the Army's Jupiter Missile, it has been used in all U.S. manned space flights as well as on military missile nosecones.

Mr. President, in his talk to the Alabama Space Science Exhibit Commission, Dr. Lucas developed the thesis that the challenge of space exploration has had a deeper impact on the course of civilization than any other peaceful activity in history and that it has enriched our daily lives in countless ways. I believe that his remarks should be "must" reading and I ask unanimous consent that Dr. Lucas' talk, entitled "Benefits From the Space Program," be printed in the RECORD.

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

BENEFITS FROM THE SPACE PROGRAM

(Remarks By Dr. William R. Lucas, Director, NASA Marshall Space Flight Center)

Thank you, Senator Allen. I am highly honored to be on this program today and doubly so to be introduced by the distinguished Senator from Alabama. To the people of Alabama, Senator Jim Allen is a strong voice in the highest legislative body in the nation, a staunch defender of the right, and he has demonstrated himself to be a man who will not compromise his principles. Importantly for us, he is a warm friend of the space program. I want you to know, sir, that the people of North Alabama are proud of what you are doing for our country and our state. We are delighted that you could find time from the many demands of your office to be here today.

In the beginning, I must say also that I appreciate the work the Alabama Space Science Exhibit Commission is doing in operating the Alabama Space and Rocket Center—a true showplace which is a tribute to the State of Alabama, to this Commission and to its chief employee, the energetic, innovative and farsighted Ed Buckbee. This exhibit is important to the Marshall Space Flight Center and the National Aeronautics and Space Administration, and Ed Buckbee is always most helpful. The Commission is exceedingly fortunate to have a man of Ed Buckbee's caliber to manage this institution.

I welcome the opportunity this morning to discuss briefly the application of technology derived from the space program. The subject of space benefits was brought up by Sen. Jack Giles when he and other members of the Executive Committee visited me recently at the Marshall Center. Jack said that he had found that many people are just not aware of the far-reaching effects which the space program has on our lives, our thoughts, and even our international relations. In response to his request, I said that I would be glad to discuss some of these benefits with any audience he recommended.

My thesis, then, is that the challenge of space exploration has had a deeper impact on the course of civilization than any other peaceful activity in history and that it has enriched our daily lives in countless ways. The space program has revived our pioneering instinct; it has expanded our intellectual development; it has increased our storehouse of knowledge; it has advanced our technology; it has strengthened our self-confidence and raised our prestige in the eyes of the world; and it has broadened our perspective and heightened our appreciation for the good planet Earth on which we live. But at the same time it has taught us that our resources are expendable and must be guarded carefully.

America's efforts in space exploration have been crowned with success after success—from Explorer I, our first small unmanned Earth satellite, to manned flights in Projects Mercury and Gemini, manned exploration of the Moon in Project Apollo, research and experimentation in Skylab, probes to the planets, and the exciting landing of the Viking on Mars. Every one of these programs had a price tag, and the tab was picked up by the American taxpayer. My argument holds that these programs were an investment—an investment which has already paid and continues to pay remarkable dividends.

Some of these benefits, of course, are intangible. For instance, one of the great lessons learned from Project Apollo is that we as a country *can* solve the very serious problems which face the nation today—problems such as the growing shortages of energy, dwindling natural resources, polluted environment, and overpopulation. Apollo showed us that we, the American people, led by a dedicated team from government, industry and the academic community, can accept a challenge and overcome seemingly insurmountable obstacles to reach an objective.

When President John F. Kennedy established a manned lunar landing as a national goal in 1961, he foresaw clearly that such an objective would do more than take us to the Moon and safely back to Earth. It would, he said, allow our nation to "take a clearly leading role in space achievement, which in many ways may hold the key to our future on Earth."

The lunar landing was to be a focal point for our efforts. It was a catalyst which spurred advances in virtually every scientific discipline and every field of technology to meet the critical demands of space flight. The space program became the cutting edge of technology, spawning advances more rapidly than any prior influence—save that of waging warfare.

Consistent with the intent of the 1958 Space Act that gave rise to the National Aeronautics and Space Administration, the technological advances were quickly fed into industry. The results were new and improved products, more jobs and an improved economy.

Let's take a quick look at some of the more tangible benefits from space exploration—some things which we may accept matter of factly, without second thought, but things which we have because we did accept the challenge of space exploration.

The first widespread use of space came through Earth-orbiting communications satellites. Beginning by bouncing signals off the Echo I balloon satellite in 1960, NASA pioneered a series of active research satellites. Now commercial satellite communications systems are in daily use, with the cost of launchings borne commercially, and not by NASA. Comstar-D2, a new type domestic communications satellite, was launched by NASA last month for the ComSat General Corporation. It was just another in a series of such launchings, and the event was so routine that I daresay that it went unnoticed by most of us.

Communication satellites have revolutionized communications in a very short time and have substantially reduced the cost of worldwide communications. They have more than repaid the cost of their development and launching. For example, a decade ago, using trans-Atlantic cables, the cost of a three-minute daytime telephone call from New York to London was $12.50. Today the cost is only $5.50 in today's currency—and that's ignoring the impact of inflation in recent years. The cost of world-wide television transmission is being reduced, having been lowered 80% from the early satellite broadcasts to the present. Before satellites, a West Coast to Japan cable circuit cost $15,000 a month; today a communication satellite makes the same service available for $4,000 per month.

Satellites that directly broadcast television to community receivers are demonstrating their potential for delivering educational, medical and other services to remote and hitherto unreachable populations.

On July 8 of this year a communications satellite called Palapa was launched from the Kennedy Space Center for the island nation of Indonesia.

Palapa fulfills a 600-year-old dream for Indonesia. The name for the satellite comes from a 14th century prime minister's vow not to eat the then popular delicacy, palapa, until the whole of Indonesia was unified.

The satellite will tie together that nation, made up of 3,000 inhabited islands, with instantaneous telephone, radio, television and telex and data communications.

For most of the 600 years it hasn't been possible to so unite the country; in recent years it hasn't been economically feasible to install wires or microwave towers over thousands of miles of oceans, islands, unmapped hills and forests.

The space program allowed Indonesia to make a quantum jump in communications overnight from the 14th almost to the 21st century.

The Palapa satellite began operation this past Tuesday, the 31st anniversary of Indonesian independence.

A dramatic example of the need for such communications occurred recently when a severe earthquake hit a remote area of the scattered island nation, killing perhaps as many as a thousand people—and it was two or three weeks before word of the extent of the tragedy even reached the Indonesian capital. If the Palapa satellite had been in

operation just a few weeks ago, it could have been of great value to the government in its relief efforts.

Communications satellites, themselves a product of the space program, are used as tools for demonstrating how space and advanced technologies can benefit the people of developing countries.

NASA's most advanced communications satellite—ATS 6—illustrates this point. ATS–6 was launched May 30, 1974. It was first used by NASA, then loaned to the Government of India for one year, which ended July 31. In India it became known as "Teacher in the Sky" as it transmitted information into 5,000 remote villages and more populous areas on family planning, farming, nutrition and health measures. The Indians were most reluctant to see their "Teacher" go.

By the way, in the initial phase of its operation, a receiving station for the ATS–6 satellite was located in Madison County at Chase. Classroom instruction in Madison and Marshall counties which had been filmed earlier was transmitted by the ATS–6 satellite as part of an experimental educational program for remote regions.

ATS–6 was moved to the Western hemisphere in another undertaking to help some of the world's poorest people in Asia, Africa and Latin America. NASA is working with the Agency for International Development (AID) in the project, and as many as 30 developing countries are participating. Space communications will be teamed with remote sensing from the Landsat Earth resources satellites and high-resolution aerial photography in a three-month demonstration to help these peoples boost food production, improve their health and nutrition, expand family planning and raise income levels.

The weather and climate program was one of the earliest users of space technology. Most of us now take for granted the satellite cloud photographs on daily television programs without consciously associating them with the space program. And the launching of weather satellites has become so routine that they cause barely a ripple in the news.

For example, I doubt that many noted the launch on July 29 of an improved TIROS Operational Satellite into a polar orbit from our California launch site. It will be used by the National Weather Service to provide cloud cover pictures in order to improve the accuracy of both short and long-term weather forecasting. Weather satellites are just another tool which help the Weather Service to improve forecasting. As a measure of their contribution, the 36-hour predictions of today are as accurate as the 12-hour forecasts issued 10 years ago—correct approximately 80 per cent of the time.

Accurate five-day forecasts may be possible as satellite and other technology advances are made. It has been estimated that five-day forecasts would save up to $5.5 billion dollars annually in the United States—in agriculture, construction, transportation, recreation, and other industries affected by the weather.

As a long range possibility, I believe that as we gain a better understanding of the dynamic processes that control the weather—the interaction between land masses, the great bodies of water and the air above us—we will be able to modify weather patterns on a large-scale basis.

Of course, I do not refer to the local situation where I believe the great problem would be to get neighbors to agree on a day for rain. I'm talking about the great deserts of the world, which with adequate moisture could produce food. Four years ago, South Dakota became the first state to establish a program to increase rainfall and suppress hail. Last summer, 45 of South Dakota's 67 counties took part in the weather modification program which covered an area of 29 million acres. Backers of the program foresee the potential for adding up to $80-$100 million in gross income for the state through increased rainfall alone for the greater production of grains and grasses.

If we are to feed the world, the way the population is growing (expected to double in the next 35 years), we will be forced to use some areas that are not being used for food production. Even if we never come to climate control, being able to predict long range adverse climate trends will enable us limit their effects through agricultural planning.

Another widespread use of satellites is in the area of the observation of Earth's resources. The Earth Resources Survey Program involves the application of space remote sensing systems to the measuring and monitoring of parameters on earth.

The Landsats and companion spacecraft called Seasats are satellites equipped with a variety of sensors and scanning devices which acquire data in the visible, infrared and microwave portions of the electromagnetic spectrum. Using advanced computer techniques, the data collected can be made to yield a wealth of information about the Earth.

The multi-spectral imagery taken by Landsat is being used for such wide-ranging practical purposes as: locating air and water pollution, locating geologic formations that may indicate the presence of petroleum and other minerals, studying flood hazards and managing our water resources, monitoring urban development and planning future land use, helping to locate underground water supplies, predicting water coming from snow melt, spotting the movement of crop diseases, and estimating crop yield.

Hydrologists analyzing Landsat data have found that fresh water is currently being extracted from only about one hundredth of one per cent of the total global supply. And crop identification is now performed routinely by satellites and the information is used to make much more accurate forecasts of harvests. These estimates become more and more vital as the demand for food rises around the world.

Photographs from Landsat were used as legal evidence to help settle a dispute between the states of New York and Vermont. The pictures clearly showed pollution from a New York paper mill dispersing across Lake Champlain toward the Vermont shore.

Recently, the State of Maryland has utilized the Landsat satellite to monitor its coal strip mining activities. The imagery obtained from Landsat revealed that 25–30 per cent more acreage was affected by the mines than anyone had realized. Consequently, the state has modified its mine inventorying procedures to include the additional acreage involved.

Several months ago, here at the Marshall Center we used a NASA plane from the Lewis Research Center, equipped with infrared thermal scanning equipment, to locate areas of high heat loss throughout the Center as a part of our efforts to reduce energy consumption. From the infrared scans, we produced maps of the entire Center and studied these to locate leaking underground steam lines, and to pinpoint heat loss from inadequate and deteriorated roof insulation. The repair of these hidden leaks has already enabled us to conserve energy and to save several thousands of dollars.

A satellite designed, developed and produced by the Marshall Space Flight Center and launched in May of this year may help us to forecast another phenomena of nature. This satellite, called LAGEOS, will allow very accurate determination of the movement of the Earth's crust—and one important benefit from the information to be acquired could be the development of techniques for predicting earthquakes.

One of the more promising uses of space as a work site is in the area of processing of materials. Perhaps no technology is more important to the well-being of our society than that involving materials. It is generally known among materials engineers that the failure to achieve or even approach the theoretical properties of materials is often due to the limiting aspects of the environments in which they are processed. The introduction several years ago of vacuum melting of metals removed the contaminating influence of atmospheric gases and provided the possibility for new alloys and alloys of increased purity and, consequently, greatly enhanced properties. Today, the space environment offers to materials processors the freedom from the influence of gravity, a freedom that has not been achieved on Earth for more than a few seconds. This becomes especially important when the separation of phases or constituents of a melt or a mixture is undesirable or when the stirring caused by gravity-induced convection currents would interfere with crystal formation. The most interesting results to date have been obtained from the growth of superior single crystals in the zero-gravity environment.

Single crystals of semiconductors, so important to today's solid state electronics industry, have been the subjects of intense study already.

The separation of the constituents of biological substances, such as human blood cells and kidney cells, by a technique called electrophoresis shows promise of being substantially enhanced in the space environment as compared to making the same separation in the Earth environment. The separation of living cells is extremely difficult on Earth.

The most exciting biological experiment so far was one done on the Apollo-Soyuz mission for Abbott Laboratories of Chicago. Using the electrophoresis technique, certain urokinase-producing kidney cells were separated from non-producing cells. Urokinase, an enzyme not available commercially in this country, is valuable as an anti-coagulant for blood. Apparently only about 5% of the kidney cells produce urokinase, and it has not been possible to separate these on Earth. The space-purified fraction yields substantially more urokinase than when inhibited by the non-producing cells.

Although we are only at the beginning of our understanding of the utilization of the weightlessness of space in the processing of materials, I predict that, with the introduction of the Space Shuttle this field will develop rapidly and that materials processing in space will ultimately rank along with meteorology and communication as a highly visible beneficiary of space activity.

In another area of great national interest currently, the space program has the potential for making a contribution in the production of energy on which our society is so dependent. We are meeting our energy requirements today only with great difficulty, and our needs will probably double by the year 2000. Certain technology from NASA programs is already being made available to the Energy Research and Development Administration (ERDA), and we are studying the possibility of collecting solar energy in space and transmitting that to ground. This would be a natural follow-on of space activities. For years we have been developing and using solar cells to provide onboard power for our spacecraft.

A permanent space construction base would require large amounts of power for its operation. To provide the power we need to do our job in space, we are studying the development of large space-based solar power collectors. We would convert the solar energy collected into microwaves for transmission through space to the space base. If we can thus meet our needs for power in space with solar energy, it would be a logical extension

of that technology to transmit solar energy to Earth to help supply growing needs here.

Our first efforts to assist the newly created Energy Research and Development Administration came in the area of using solar energy for heating and cooling residences and commercial buildings. In this effort we are applying some of the technology developed in the Skylab Program—and much of the management expertise developed over the years in the space program.

Placing trailers together to resemble a three-bedroom house, we at Marshall mounted solar energy collectors on the roof, using a highly absorptive coating developed with technology gained from Skylab. For about two years we have conducted an engineering demonstration of heating and cooling a residence by solar energy. And we are highly pleased with the results. The first year the Sun supplied almost 100 per cent of the energy needed for heating our building, and about 50 per cent of the energy needed for air conditioning.

Our solar house experiment led to our participation in the national ERDA program to demonstrate the feasibility of using the Sun's energy for heating and cooling. This has become a major activity involving dozens of experimental operations through the country; we have more than 100 employees dedicated to running this multi-million dollar program for ERDA.

Thus far I have discussed certain areas in which space technology is making—or has vast potential for making—significant contributions for advancement: communications, weather, the observation of Earth's resources, space processing or space industrialization, and energy. All of you are familiar, I'm sure, with NASA's Technology Utilization Program. Here NASA is making a determined effort to make the advances in technology resulting from research in the space program available to the private sector. A listing of the transfers of technology could go on for quite some time. Health services have been great beneficiaries of space technology with advances in pacemakers, biomedical electrodes, cancer detection, and many others. If you are interested in this subject, I refer you to the recent book entitled "Spinoff 1976: A Bicentennial Report." It tells the spinoff portion of the NASA story much more completely than we have time for here today. I have copies of the book for you, should you be interested.

Last year economists at Mathematica, Inc., in Princeton, N.J., isolated four mature examples of spinoffs which they called actual thriving industries spun off from the space program.

The first, integrated circuits developed for the space program, are now used in television sets, automobiles and hundreds of other industrial and household products.

The second, gas turbines, initially developed for jet-engine aircraft, are used in electric power generation plants.

The third, a structural-analysis computer program, developed by NASA, is used to design railroad tracks and cars, automobiles, bridges, skyscrapers and many other structures.

The fourth, insulation for cryogenic uses, developed through our dependence on liquid gases needed for rocket propulsion, has resulted in the routine use of liquid oxygen, nitrogen, helium and other frozen gases by hospitals and industry.

The four examples above, according to Mathematica, have been projected to add up to seven billion dollars to the economy by the early 1980's.

Let me just mention briefly two of a great many applications of technology stemming from Marshall Center programs:

Polyurethane foam insulation systems, developed in the space program to insulate the liquid hydrogen tanks of the Saturn V launch vehicle, are currently being used in the shipping industry for liquefied gas containment and to replace the conventional cork and fiberglass insulation for cold storage fish compartments. The insulation technology was developed by private industry under contract to the Marshall Center.

The Marshall Center is working with the Coast Guard in the development and test of a portable, self-contained fire-fighting module. The unit is designed to be used in fighting shipboard and dock fires. Complete with pump, hose and suit, the portable unit can be transported by helicopter and placed on the deck of any medium-sized ship in the area of a fire. The unit is based on high-pressure turbine pumps developed for injecting propellants into a rocket's engines.

Jim Schefter, a noted science writer, has made the following statement on space benefits in the May, 1976, issue of "Popular Science:"

"There are too many applications of space technology—'benefits,' for want of a better word—for any of us to understand.

"Only the barest tip of the iceberg is visible. The electronic watches, hand-held computers, freeze-dried food, live television from Europe, satellite weather maps, and liquid-crystal gadgets are the tiniest fraction of the benefits around us.

"Such benefits are adding billions of dollars to the American economy, providing jobs, saving lives, and making things nicer for all of us. Most of the benefits aren't exciting. They're just there." End of quote.

That is a good summary of what I have tried to emphasize about "Benefits from the Space Program." We at the Marshall Center are proud to have had a part in advancing technology, and participating in the space programs which made the advances possible.

Before I close, let me tell you briefly what we are doing at the Marshall Center today. About sixty per cent of our effort is devoted to development of the Space Shuttle, which is largely reusable and will form the nucleus of NASA's Space Transportation System for the 1980's, making space more accessible and much less costly. The Marshall Center is providing the Shuttle's Main Engines, the External Tank for carrying propellants, and the Solid Rocket Boosters.

The Marshall Center is NASA's liaison with the European countries which are developing Spacelab. This laboratory, which will be carried into Earth orbit in the cargo bay of the Shuttle, will provide scientists who are not trained as space pilots the opportunity to accompany their experiments into space.

We are studying a number of upper stage type vehicles for the Shuttle which will be necessary for carrying payloads into higher orbits or on lunar or planetary missions.

In addition, we are developing High Energy Astronomy Observatories for studying distant mysteries of the universe—such as pulsars and neutron stars. And we are studying a multi-purpose optical telescope which would enable scientists to gaze deep into space—seven times farther than has now been done, possibly to the outer edges of the Universe.

On the back burner we have studies for a space-based solar power system on space stations, and heavy lift launch vehicles to place them into space. And we have a number of smaller activities underway. As you can see, the Marshall Center has a variety of missions, quite unlike the decade of the Sixties, when Saturn was its major mission.

The projects—along with others which will come into being from the fertile imagination of men and women in the space program—will carry us into the decade of the 1980's—and beyond. These projects will continue to stimulate new technology which I believe to be so important to the advancement of our society. Economists tell me that the only way our economy can grow in the long run, with unemployment reduced and inflation held in check, is by increasing productivity. Increases in productivity depend on the development and application of advanced technology.

For the more immediate future, we must continue to use our space capabilities, and add to them, not only for the benefit of this generation, but for the benefit of future generations. We must pursue vigorously the understanding of our Earth and our universe. Just as we have reviewed with pride this Bicentennial Year the achievements of the pioneers of the United States in overcoming great difficulties to found this nation, so must we view with determination and confidence our own capacity to solve the problems of today and tomorrow. I firmly believe that the space program will continue to have an important role in the life of this nation as it moves into the Tricentennial years, and that its benefits will increase immeasurably.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

LEGISLATIVE APPROPRIATIONS, 1977

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of H.R. 14238, which the clerk will state.

The legislative clerk read as follows:

A bill (H.R. 14238) making appropriations for the legislative branch for the fiscal year ending September 30, 1977, and for other purposes.

AMENDMENT NO. 2277

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

The ACTING PRESIDENT pro tempore. The pending question is the amendment by the distinguished Senator from Oklahoma (Mr. BARTLETT) on which there is to be 1 hour divided equally, divided and controlled by the distinguished Senator from Oklahoma (Mr. BARTLETT) and the distinguished Senator from South Carolina (Mr. HOLLINGS).

Who yields time?

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

The ACTING PRESIDENT pro tempore. On whose time?

Mr. BARTLETT. On my time.

The ACTING PRESIDENT pro tempore. Equally divided?

Mr. BARTLETT. Equally divided or my time, either one—equally divided.

The ACTING PRESIDENT pro tempore. Without objection, the time will be equally divided and the clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

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

Mr. BARTLETT. Mr. President, I yield myself such time as I require.

The ACTING PRESIDENT pro tempore. The Senator from Oklahoma is recognized.

Mr. BARTLETT. Mr. President, I ask unanimous consent that the distinguished Senator from Illinois (Mr. PERCY) be added as a cosponsor to this amendment.

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

Mr. BARTLETT. Mr. President, the amendment which I am proposing again places the U.S. Senate on record in favor of economy and efficiency in our own backyard. This amendment is nothing new; it strikes no new ground; it merely reaffirms a commitment that we as a body made last summer in adopting my first amendment to the legislative appropriations bill last year.

Mr. President, as we know, when the Legislative Appropriations Act of 1976 was signed into law on July 25, 1975, it contained a provision as follows:

> The Architect of the Capitol shall study and submit his recommendations to the Congress within three months, a plan to reduce by at least 50 percent the number of persons operating automatic elevators within the Capitol complex.

The Architect of the Capitol fulfilled his responsibilities, and issued such a report dated November 3, 1975. I read the report, and I want to congratulate the Architect of the Capitol for doing a tremendous job in assessing the situation in such a short period of time. Not only did the report follow the spirit of my amendment, but it also provided some very helpful suggestions as to where cuts in elevator service could be made.

The Architect's report is reasonable, and yet its recommendations were not accepted by the Legislative Appropriations Subcommittee. My amendment proposes that the U.S. Senate go on record to accept the recommendations of the Architect of the Capitol, acting upon the mandate in the Legislative Branch Appropriations Act of 1976. My colleagues should notice that the Architect's report proposes a pattern for reducing the number of elevator operators by 34 positions. In fact, we are talking about one-half of those elevator operators assigned to operating automatic elevators.

At the time of the Architect's report, there were 83 automatic elevators and 35 manual elevators in the Capitol complex. There was a staff of 68 operators provided and assigned to a specific duy on the automatic elevators. Therefore, the reduction of 34 positions is exactly half of the number of original operators. The only modification which is now necessary and is adjusted for in my amendment, is the fact that since the original report, a number of additional elevators have been converted from manual to automatic operation.

Based on the recent changes, the Architect has prepared a new report which has been submitted to me with a copy to Senator HOLLINGS. This report was prepared in cooperation with the speaker of the House's office and the Sergeant at Arms of the Senate. It provides for reductions for the additional automatic elevators and adjusts for the necessary operators where experience has proved their need.

We will note that the total number of automatic elevator operators has increased to 125 because of the changes in status of certain elevators, but the Architect's new evaluation shows that 62 of these can be eliminated without conflicting with operations of the Capitol complex. This is still approximately one-half of the total operators. The total cost saving to the taxpayers is $502,262 or $8,101 per position per year.

Specifically, my amendment provides for not more than 46 elevator operator positions in the Capitol buildings; 16 elevator operator positions in the Senate Office Buildings; and 28 elevator operator positions in the House Office Buildings. The amendment also provides that the provision will not be applicable to present incumbents, thereby allowing the phasein through attrition.

I again reiterate that this matter has been under review by the Architect and the various committees and persons involved, and the recommendation to reduce the total number by 62 operators has been approved as reasonable and workable by the Speaker's office and the Senate Sergeant of Arms.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a memo from the Architect of the Capitol, George M. White, dated September 3, and the attachments thereto including a plan for reducing the number of operators on automatic elevators, and a chart indicating the total number of elevators, and elevator operators in the Capitol complex.

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

THE ARCHITECT OF THE CAPITOL,
Washington, D.C., September 3, 1976.

Memorandum to: Mr. Ed King, Legislative Assistant to Senator DEWEY F. BARTLETT, United States Senate.

In response to your request of this date, I am enclosing a plan for reducing the number of elevator operators assigned to automatic elevators, if the Congress should direct such a reduction. This plan is an up-dating of my report of November 3, 1975, and reflects the changes in number of operators assigned to automatic elevators as a result of the elevator renovations that have occurred since the report was originally submitted.

I am also enclosing a revised summary of the number of elevators, and the number of operators assigned to automatic and manual elevators.

I shall, of course, be pleased to discuss this matter with you, and present additional information if you deem that desirable.

GEORGE M. WHITE, FAIA,
Architect of the Capitol.

PLAN FOR REDUCING NUMBER OF OPERATORS ON AUTOMATIC ELEVATORS

CAPITOL BUILDING

House side: No reduction.

Senate side: Reduce by six the number of authorized positions. This reduction could occur as a result of not staffing one of the three elevators recently modernized, and by reducing the number of shifts from 3 to 2 on those elevators located at the entrances to the Senate Wing.

SENATE OFFICE BUILDINGS

Dirksen Building: Reduce by 16 the number of authorized positions, including 13 positions funded for passenger elevators, and 3 positions funded for freight-passenger service.

Russell Building: Reduce by 16 the number of authorized positions funded for passenger and freight elevators.

HOUSE OFFICE BUILDINGS

Cannon Building: Reduce by 14 the number of authorized positions funded for passenger and freight elevators.

Longworth Building: Reduce by 10 the number of authorized positions for passenger and freight elevators.

This plan provides for a total reduction of 62 elevator operators assigned to automatic elevators.

NUMBER OF ELEVATORS AND ELEVATOR OPERATORS UNDER THE ARCHITECT OF THE CAPITOL

Location	Number of elevators: Automatic	Number of elevators: Manual	Number of operators authorized	Number of operators on automatic elevators	Number of operators on manual elevators
Capitol building:					
House side	8	3	22	11	11
Senate side	11	0	30	30	0
Subtotal	19	3	52	41	11
Senate office buildings:					
Russell Building	10	4	32	[1] 2	16
Dirksen Building	12	0	16	[1] 30	0
Carroll Arms Hotel	3	0	0	0	0
Immigration Building	2	0	0	0	0
Plaza Hotel Building	1	0	0	0	0
Senate Courts Building	1	0	0	0	0
Hill Apartment Building	1	0	0	0	0
Subtotal	30	4	48	32	16
House office buildings:					
Cannon Building	13	0	31	28	0
Longworth Building	8	0	17	20	0
Rayburn Building	28	0	4	4	0
HOB Annex No. 1	3	0	0	0	0
HOB Annex No. 2	4	4	0	0	0
Underground garages	2	0	0	0	0
Subtotal	58	4	52	52	0
Total	107	11	152	125	27

[1] Russell Building operators normally assigned to elevators currently being renovated are now assigned to the Dirksen Building as relief operators and starters.

Mr. BARTLETT. Mr. President, I note in the footnotes of the Architect's report, that in recent years $3,110,000 has already been appropriated or has been requested in order to modernize Capitol complex operators and convert them from manual to automatic. If we have absolutely no intention of cutting back on the staffing of these elevators, I see absolutely no reason to spend $3,110,000 to convert them. If we are going to have these elevators manned, you might as well keep the elevators with manual controls. At least then, you will have some sense of nostalgia to present to the tourists who come through these buildings.

Mr. President, in the very expensive reworking of the elevators there is also a considerable amount of inconvenience. I find that it takes from 12 to 16 months to convert an elevator from manual to automatic operation. Besides the expense, we are paying for this changeover with inconvenience. It certainly does not look at all good for the Members of Congress to pay some $3 million for a changeover to automatic elevators and then not to fully utilize the automatic operations when they can be utilized.

I would also like to bring to the attention of the distinguished Senator from South Carolina that as far as the number of operators in the Capitol itself, in the Senate area, according to the report by the Architect, there was a recommendation for an increase in the number of operators of automatic elevators because of the large amount of traffic on the first and second floors, so that the tourists which the Capitol experiences from time to time in great numbers can be properly handled in an efficient way.

This effort has been taken in a very systematic and deliberate fashion to bring forth a plan that would sensibly reduce the number. I personally feel that it could be reduced far greater than cutting the number of automatic elevator operators in half and still provide adequate service for everyone who uses the Capitol buildings.

Mr. President, again the U.S. Senate has gone on record asking for this recommendation by the Architect of the Capitol. I believe we will make a mockery out of our desire to hold the line on wasteful Government spending, as well as the concept of asking for expert studies on problems, if we fail to adopt the recommendations of the Architect of the Capitol.

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

Mr. HOLLINGS. Mr. President, first as to the recommendations of the Architect of the Capitol, the Architect, I say to the distinguished Senator from Oklahoma, did not recommend a reduction in elevator operators. The Architect of the Capitol simply responded to the request. We discussed it with him, and he had no position on it. It was a request made as a result of the amendment of the Senator from Oklahoma last year; and the request for further information.

In response to that request, he pointed out how it could be done. I do not think we ought to add the dignity, prestige, or persuasion of the Architect of the Capitol that this is an architecturally sound approach to anything.

Mr. BARTLETT. Will the Senator yield?

Mr. HOLLINGS. Yes.

Mr. BARTLETT. I will report to the distinguished Senator that I discussed this matter with him personally. My staff has been in constant contact with him over a period of several months. He supports these recommendations as being sound, realistic, and viable. I would not want to put words in his mouth in any way, but he feels that this is a sensible way to proceed.

I would guess that he would probably believe that the cuts could be made even more stringent. In answer to my questions, he certainly convinced me very specifically that he favors this report.

Mr. HOLLINGS. We asked him about that. That is why we had the hearings. We discussed this in the subcommittee. We only had the recommendation from the Architect. He only said, "I am responding to the request."

Second, it goes into the House appropriations, the House accounts, and the House administration of their own affairs. We almost have an unwritten rule, a principle, a cardinal rule, that we never interfere with their appropriations and they do not interfere on our side. We did not want to legislate the number of elevator operators to be reduced. Of the 62, 38 would be reduced on the Senate side and 24 on the House side. We just do not recommend what they do over there with respect to their elevator operators or any of the other House administration business. I think that has proven wise because we were not held responsible for anything they are now discussing over there.

Mr. BARTLETT. Will the Senator yield?

Mr. HOLLINGS. Yes.

Mr. BARTLETT. Will the Senator accept that portion of the amendment which applies to the Senate side?

Mr. HOLLINGS. No. I think the distinguished Senator from Pennsylvania might want to accept that. The reason I do not accept it is because I do not believe it is efficient. I know it looks good. That is typical of an architect trying to study and saying, "You have so many self-operating elevators. Self-operating means without an operator. Ipso facto, we will do away with the operator." Is that really efficient?

The experience my constituents have had, and I have had the experience myself, is the sterility of these buildings. I felt good when I arrived in Moscow because I had been in the Senate Office Building for a good while. There is just nothing in the hallways. There are no signs about anything. You get to a corner and it says, and this is the actual experience, "Room 242 to 257," in the next corridor "Room 258 to 275," and the next corridor something else. You start walking down and it says A; and then B; and then A again. No wonder our poor constituents become lost.

If there is one thing that elevator operators have done it is to provide humanity to the Senate Office Buildings in telling people where, how, when, and what have you. Our constituents are ordinarily lost. In fact, the actual naming of these buildings loses them. They stand outside and it says Russell Building. I knew Senator Russell. I knew him intimately. They do not know who Senator Russell was. They are looking for the Senate Office Building and they are standing by it.

We started at the beginning not designating the buildings. Once visitors are in the building if they cannot find an elevator operator or a policeman, they are lost. In the name of economy and as a matter of efficiency, frankly, elevator operators are helping the visitors to the Senate.

The Senator from Oklahoma admits that here they are coming in on the ground floor where there is also a policeman, but there is no difference between the ground floor and the fourth floor. Visitors are lost on the fourth floor more than they are on the ground floor. We did not think with the experience that we have had we could do away with the operators.

We could do away with a lot of pages. We could run our own errands. We could cut in half the lights up here and do a lot of other things in talking about efficiency and economy. But when it comes right down to it, the elevator operators have done a salutary job. They have earned their way. They have gotten through colleges.

It is one of the best programs that I know of that we have sponsored around here, and the committee thought that way about it.

I am frustrated with the self-operating elevators. All you have to do is go, again, over to the Senate office buildings and press the buzzer and get on, and you think you are going somewhere, but someone else has pressed a button, and you go back down another place, and the poor crowd is standing outside, where it says "Senators Only" and they do not know whether they can get on or get off of it, or what to do.

I opposed the self-operating nature of the elevators from the very beginning, and I continue to oppose the reduction in the number of operators, because I think they have proved themselves and are very much needed in the Senate complex we have over here. And not only the subcommittee, but the full committee went along with that view.

Mr. President, I reserve the remainder of my time. I would yield to the Senator from Pennsylvania, but he may have a different view.

Mr. SCHWEIKER. Mr. President, we do have a different view; therefore, I will take 5 minutes out of Senator BARTLETT's time.

Mr. BARTLETT. I yield 5 minutes to the Senator from Pennsylvania.

Mr. SCHWEIKER. Mr. President, I do not often differ with my chairman. On 98 percent of the matters coming out of the committee we agree. However, we do have a little difference of position here.

The chairman of the committee has been most helpful in trying to straighten out some of the managerial problems I

have been interested in. I know that in the matter of salaries for mail carriers he has been very helpful, and I think he has done very useful service in these business management areas.

But as I say, I do differ with him in this respect, and I support the amendment of the Senator from Oklahoma, because I think we have to manage our own house. I do not think, after investing $100,000 of public funds to make an elevator automatic, we should keep the elevator operator. During the big fight we had last year about giving the younger Members of the Senate the staffers they needed, I voted to support the younger Members; but I think if we are willing to do that, we also ought to be willing to take out some jobs that are not needed and be willing to keep balancing the pluses and minuses so we can clean up our own shop.

Last night, for example, as I was going out of the Russell Office Building, I pressed the button for the elevator. When the elevator arrived it was empty. I pushed the button to get to the basement, and when the door opened, there was the operator, in a chair, reading a book.

It seems to me we ought not to pay people to read books outside elevators, if they are not operating the elevators. I say furthermore that is not the exception, it is the rule, and it makes no sense to me to be paying people to read books who are supposedly there helping us operate elevators.

I do not think the Senator's amendment is cutting anything essential, because we are still leaving some 90 operators to act as guides in assisting tourists when necessary. I do agree with the chairman of the committee that I think there are a few locations in the Capitol where the elevator operator does act as a guide and information provider, and I think particularly in the Capitol that does make sense. I agree with the chairman's position that in some spots they are more than an elevator operator, so I am glad to see that Senator BARTLETT, in his amendment, actually provides for retaining the bulk of the operators in the Capitol.

On the other hand, I do not think it makes sense to pay people to sit in chairs and read books. I think it makes a bad impression on people visiting the Capitol. And also it does not make sense to put them on night shifts. If we wanted to cut down on the cost of elevator operators, we could very well eliminate the night shifts. It is probably bad enough that they hurt their eyes reading books at night.

I think this is an area where we can clean up. I do not think this amendment goes too far, because we still leave some 90 positions here, especially in the Capitol, so that they can provide information. During the day shifts I would agree with the chairman that they have a useful guide service to perform, particularly when the tourist season is in full swing, in the Capitol; but I do not think that is true in the House and Senate office buildings, and particularly not at night. I think it creates a bad impression for visitors to come in and see an operator sitting in a chair in the basement, reading a book. In fact, I understand some of them point to the elevator they are supposed to go in; I do not know what kind of service that is we are providing.

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

Mr. SCHWEIKER. Yes.

Mr. RANDOLPH. In the office buildings, the elevators for Senators only are clearly marked, and yet when we come from the floors above to the basement level, there is someone there or around that area. Why is it necessary that a Senator have someone to press the button saying he is coming over on a car? Why cannot the Senators step out of the elevators—there is a button there, and the Senator presses the button three times, saying that he, the Senator in question, is coming over to the Capitol? I think those jobs are unnecessary, because no one there is asking for guidance. There is a sign that the elevator is for Senators only. It is back from the flow of traffic in and out of the cafeteria, and I think it is an unnecessary place for people to sit there, even perhaps to give service, because the service is unnecessary to be given.

The ACTING PRESIDENT pro tempore. The 5 minutes of the Senator from Pennsylvania has expired.

Mr. BARTLETT. I yield the Senator an additional 5 minutes.

Mr. SCHWEIKER. I thank the distinguished Senator from Oklahoma. The Senator from West Virginia supports the case I am trying to make, that whatever argument can be made for elevator operators can be made particularly in the Capitol area, where the bulk of the tourists are. The bulk of the service Senator BARTLETT's amendment provides is here in the Capitol area, and I support that, because I do not think they are really necessary in the other buildings.

This amendment saves some half a million dollars a year. When we see excess waste and see people reading books instead of operating elevators, and sitting in front of the elevator instead of in the elevator, we ought to have the courage to clean the situation up ourselves.

I think this is a reasonable amendment, because we still end up with some 90 operators; we are saving some 62 positions. My guess is, if anything, that is still a little fat, but I think it is a good start and a fair proposal.

I think we must look at ourselves. I think when we have a $100,000 investment per elevator we ought to be able to show the taxpayers that they are getting some savings in return for that hundred thousand dollars. It seems to me this is a good place to do it.

So I do not normally differ with my chairman. I respect his leadership and judgment, and in 98 percent of the cases we do agree. He has been in the forefront of trying to clean up some of these situations in the Capitol and in the office buildings, and I continue to support him for that.

Mr. RANDOLPH. Mr. President, will the Senator yield further?

Mr. SCHWEIKER. Yes.

Mr. RANDOLPH. I wish to add to what I earlier said that I cannot imagine that Senators really want a person at the area which I have indicated. There is no need for that person. Certainly, a Senator stepping out of that elevator for Senators only, with a button there, ought to be a little upset that someone has to push the button for him. He is not incapacitated. He can go to that button; it is directly in front of him. I think that there needs to be a selectivity of where there is a need for elevator service of one type or the other. Certainly in the Dirksen Senate Office Building there is absolutely no reason for a person or persons to be at the basement level, pushing a button for Senators when they step from the elevator.

I offer this further suggestion: We may not realize it, but I think many of our constituents who come to Washington, D.C., would like very much not to see a regimentation of elevator operators or other employees of the Capitol and the Senate office buildings, but they would like to see jackets worn by those persons operating the elevators, say a blue or a red jacket. Our persons who are giving the guided tours here have distinctive jackets that they wear. I am not now for dressing up someone just for dressing up that person. But I think it would help. It would identify. I think it would have frankly a better decor, which leads to a better rapport between the people working on the Hill in these important positions with the public who come here in thousands and thousands of numbers every week.

Mr. SCHWEIKER. I thank the distinguished Senator from West Virginia, and I think the points he made were well taken.

I shall repeat that even in the Bartlett amendment we still have some 90 positions which will be available in located key positions so they can perform a guide service and help the tourist service, and the weighting is very heavily in the Capitol area where they are needed.

I agree with the Senator from West Virginia. We certainly do not need elevator operators to push buttons for us, or point the way, or tell us which of three elevators to take. We ought to be able to do that ourselves. If we can make decisions, with 6, 8, or 10 votes a day, we certainly ought to be able to decide which elevators to enter as we walk into the Senate office buildings.

I commend the Senator from Oklahoma for his leadership in the area. I think this is a fair and reasonable proposal.

I say in passing that I had one of these positions myself, so I am not one of the havenots who is saying that we do not have patronage around here. I had an elevator operator's position myself so I know what it is to have these patronage slots.

I am not convinced we gain by having that kind of patronage. I, in particular, do not think we gain if we see someone reading a book and sitting in a chair in front of an elevator, with Capitol visitors coming in and saying, "That is the way the money is wasted." I think it is a

prima facie case of misuse of taxpayers' funds, and that is why I commend the distinguished Senator from Oklahoma for his leadership in this area.

Mr. BARTLETT. I thank very much the distinguished Senator from Pennsylvania. I think his remarks are cogent and to the point. I know that he has fought for improvements in this area and continues to so do. I am hopeful that today we will be successful.

I also acknowledge the fine statement from the distinguished Senator and good friend from West Virginia. I know exactly the elevators to which he refers, and I certainly agree with him.

I point out what the distinguished Senator from Pennsylvania said, and it reminded me Monday when I came down on Labor Day to my office for just a minute. I went through the entrance to the old building and came by a police guard, and then I walked right to the steps and up the steps. It was about 5 or 5:30 on Monday afternoon with virtually no activity in the building, but here was an elevator operator sitting there reading exactly as the Senator said.

What we are talking about is a sensible approach to this. We are not talking about doing away with every single automatic elevator operator. I recognize that in certain congested areas it is very important to have them. I do not really feel this goes far enough. I would like to take it further and make the reduction more than just one-half.

But I point out to my good friend from South Carolina that, when he talks about the importance of these elevator operators serving as guides for people, in virtually every area where an elevator is located there are also located one or more police guards, and they certainly are available and do function as sources of information.

Second, the distinguished Senator from South Carolina stressed the confusion of the signs, and I agree with that. But I think that this also is a responsibility of the Architect of the Capitol and I presume of this committee that is handling this bill; therefore, I think this would be an area that could be delved into, but certainly we do not want to go to that luxury and expense of recognizing confusion in signs and remedying that by such large investments as we are involved with here, some $.5 million in savings by reducing the number in half.

I also point out to the distinguished Senator from South Carolina that the areas in the large office buildings and large hotels where people enter into the elevators are often congested and there is some confusion there. But virtually all of these elevators operate without even a starter and operate automatically, as do most new elevators today.

So I think we look pretty stupid if we on the one hand support $3 million for renovation of our elevators, making them automatic, and then on the other hand man these automatic elevators with elevator operators.

Mr. SCHWEIKER. Mr. President, will the Senator yield for a question?

Mr. BARTLETT. I certainly yield to the distinguished Senator.

Mr. SCHWEIKER. Is it not true that under the Senator's proposal he is leaving some 90 operators for only 11 manual elevators throughout the whole system? Is that not correct?

Mr. BARTLETT. That is correct.

Mr. SCHWEIKER. So 90 operators ought to be able to handle that even if there were two shifts on a manual elevator, which would take the 11 positions to 22, and we can debate whether there ought to be two shifts on the manual elevators.

Mr. BARTLETT. All right.

Mr. SCHWEIKER. But with 22, we still have some 70 elevator operators to provide guide service or be located at key spots, wherever the Architect would decide they are valuable. Is that not true?

Mr. BARTLETT. The distinguished Senator is absolutely correct, and I add to that that the positioning of these elevator operators as planned in the Architect's report is to provide information and guidance to visitors in the Capitol area. They are placed in strategic positions where there is the most traffic and where there is the most confusion, and they are placed at all entrances to the various buildings so that someone coming in can have the opportunity for seeking advice if he finds that he needs it.

But I think we must look at this problem of what is fair and just for the conduct of business in the Capitol complex, the accommodation of the guests and constituents that we all have throughout the country, and ourselves.

And I think we can see very easily that if we continue having so many elevator operators for automatic elevators, this is not filling a need but is wasteful and extravagant, and we should set an example in this country. As I said, I think we should go much further than I am proposing, but I am proposing a step, and it is cutting just in half the automatic elevator operators, leaving an adequate number to more than fulfill the needs that will still exist. If we are successful in this, I would wish to take a further look at it in the future to see what other trimming can be done, because I do think that the Senate should set an example to the rest of the country.

But I also point out, as far as including the House of Representatives in this is concerned, that the Speaker's office did work on this with our office and the Architect of the Capitol, trying to create an overall program that made sense. Of course, if the Members of the other body do not concur in this, they certainly can turn it down or turn that portion of it down. So I feel that it is an overall step that provides good economy and a good example for the rest of the country.

Mr. SCHWEIKER. Will the Senator yield?

Mr. BARTLETT. I yield.

Mr. SCHWEIKER. This item is a joint item. He is quite right. We can take it to conference on that particular point.

Mr. BARTLETT. Yes.

Mr. SCHWEIKER. I point out that on the matter of manual elevators, there are 11 manual elevators for which they now have 27 operators which the Senator's amendment does not touch. So all his amendment does do is take 125 automatic elevator operators and cut that in half, reduce it by 62. So we still, even with the Senator's amendment, are untouching the 27 manual elevator operators that now run 11 elevators and are only reducing by 50 percent the automatic elevator operators. We are subtracting 62, leaving 63. So we still, even with the Senator's amendment, have 63 automatic elevator operators to run automatic elevators to be located where the Capitol Architect provides whatever guide, information, or public assistance service that would be needed. So it is only a 50-percent cut in automatic elevator operators.

Mr. BARTLETT. The Senator is exactly right. I have explained this amendment to some constituents who feel we have not gone far enough.

I feel that the distinguished Senator from Pennsylvania is making that kind of point here, that there would be an adequate or overadequate number of people.

However, I point out to the distinguished Senator from South Carolina that the Architect of the Capitol did suggest, for the Capitol itself, an increase in the number of elevator operators. So this approach was not done just with a sharp knife and a blindfold, but it was done after an analysis of what the needs are.

I feel that this is the way we should approach this problem, and I hope the distinguished Senator from South Carolina will decide to accept this amendment, and I would be very pleased if he would do so.

Mr. President, I am ready to yield back the remainder of my time.

The PRESIDING OFFICER. Is all time yielded back?

Mr. HOLLINGS. Mr. President, I have to say a word about uniforms and the fellow reading the book and all those other things.

What the Senator from West Virginia was objecting to was having anybody at that bank of elevators designated "Senators only." Why did he get up out of the chair to press the button? He got up out of the chair to press the button to prove that he was not reading a book, which is what the objection is of the Senator from Pennsylvania. He said he did not like them sitting there on a chair, reading a book. Why do we have them there?

Everybody knows that this new generation has very little respect and regard for almost anything. While it reads "Senators only," that is the last thing they are going to look at, any they will all end up on the elevator. That is the way we experience it. Even though we put them around a corner, in an obscure fashion, unless you have somebody there watching, they walk on the elevator, and you cannot blame the people. They see other people walking in and going up elevators, so they walk in and go up elevators, too, irrespective of the sign.There is nothing wrong with that. It is a human proposition. So it has been proved, in our experience, that the elevator operators are needed.

The only reason we backed into the corner with respect to the self-operating elevator is that the machinery was getting old, and someone came up with the bright idea—some mathematician—that

it was an arithmetic problem. He said that if we make them self-operating, we can save x number of dollars over y number of years, and look at the economy in government. They do not say anything about an increase such as the 1-percent kicker. I think I will put that repeal on here—at least make an attempt to do it—which would really save $3.8 billion in the next 5 years. You cannot even get that proposal up on the floor of the Senate.

They pick, pick, pick on these little things and talk economy. It dismays me to hear that a colleague is back home explaining to his constituents about self-operating elevators and how we are saving money. We have to do something more than that to go home and tell the folks about in Oklahoma than about self-operating elevators. The truth is that if you take problems like that, they just do not respond.

It is the same with welfare reform. The bright whiz kids, consultants—and I could name the names—say, "Let's spit out the checks, like social security." Give every welfare recipient x number of dollars, $1,000 a year, whatever it is, and let us have no investigations, no guidance, no education, no counseling, no health care, or anything like that, so that the poor, the hungry, the ignorant, the illiterate, the homeless can do it all for themselves. All they need is money.

So they are given the check, and we know that they end up in the finance shop, the liquor shop, the automobile place, or the TV place, with things they do not need, and they will still be hungry. The children never get fed. That is what is really wrong. They have to do this and treat it as a human problem.

Back to the elevator operators: There is another premise. They say, "You are moving in the right direction."

It reminds me of the fellow who was painting a sign, up on a ladder, which read "Fresh Fish For Sale." Another fellow said, "Wait a minute. You certainly would not sell rotten fish or stale fish or anything like that, so there is no use to put the word 'Fresh' up there."

So he took out the word "Fresh." That is the first economy move.

Then the fellow said, "You don't need 'for sale.' You're not going to give it away." Everybody knows that you do not need the "for sale" part of the sign, so you do away with that part of the sign, too.

Then the fellow says, "Incidentally, you can smell it a block away, and they will know it's fish. So you don't need the word 'fish' there." So there is no need for the sign at all.

That is the way they are going to do away with the elevator operators.

We all know from experience that there would be utter chaos if there were no elevator operators outside the door. That door is no different from the corner of C Street and Constitution Avenue.

I can speak from experience with respect to a rollcall vote. I am in Suite 437 of the Russell Building. They have closed down two elevators, and they have a self-operating elevator that you cannot take your chances on.

It is like Russian roulette now. So you go to the other corner and ring all the buzzers and they go up and down, and there is nothing but chaos. You are pushing to get to the vote, and you are trying to be polite and courteous at the same time.

I think we have wasted too much time already. If the Senator wants to vote, that is fine. It is like the situation yesterday. I am not the mother superior, with respect to the way Senators vote.

We can give the elevator operators an Okie uniform, a little red and white uniform, as the Senator from Pennsylvania would like. I do not know whether the Senator from Oklahoma wants the uniforms or does not want them.

Mr. BARTLETT. I would like very much for each elevator operator to have an Okie pin, which would stand for Oklahoma for increased efficiency.

It seems to me that what the Senator is suggesting is that the signs are inadequate; but rather than change the signs or remove them, he wants to have talking and walking signboards so they can tell people where to go, rather than just to have it plainly there in front of them.

Mr. HOLLINGS. That is right. Is not plainly in front of them. They just cannot find the offices. The operators are constantly being asked questions, and they are delighted to answer.

Mr. BARTLETT. Is the Senator saying that the committee cannot solve the problem of the signs so that they can communicate adequately and clearly to the public?

Mr. HOLLINGS. The Senator does not find any real problem, other than the bleakness and sterility and the lack of direction. I can do it, but the seniority system and the leadership system mandate otherwise, and they like it as it is. From time to time, we have suggested different signs that would guide folks around. If this were a private enterprise, nobody could find an office that way.

The walking and talking signs the Senator refers to have been very good.

We do not want to save billions. We just want to pick up these little things and call it economy and make it very strange to anybody who comes to Washington. They cannot park their cars when they get here, and it is all in the name of efficiency. So be it.

If the Senator is ready to yield back the remainder of his time, I will yield back mine.

Mr. BARTLETT. I say to the distinguished Senator that I would be glad to show him my record, which does involve a saving of billions of dollars by votes I have cast, motions I have made and efforts for which I have worked.

I know, and I am not the only Senator who has worked in that direction. But I do think that in an area which is certainly the responsibility of the Members of the Senate for their own convenience, we should, perhaps, look a little more acutely at extravagance and waste. Therefore, I think it is important to look at what is needed here. I think the Senator from South Carolina and I would recognize and expect that if we went into a big office building or a big hotel, or to visit somebody in a company, we would find automatic elevators, and we would find our way to the hotel room or to the meeting room, or whatever it is. We would find that the signs might not be adequate, either. But in due time, we would do it. The point is, I think we can erect the signs in a much more efficient and cheaper way than having this kind of extra expense.

I also point out that this does not eliminate all of the extra operators of automatic elevators. This just cuts them in half. There would still be an adequate number of the walking, talking signboards that the Senator is talking about, placed very carefully at the entrances to the buildings where most of the people come so that there would be, still, that kind of service. Then I hope that, next year, we can take another look at where further efficiencies can be made to pare this down further.

Mr. HOLLINGS. Mr. President, I would not discredit—on the contrary, I would credit—the distinguished Senator from Oklahoma as being economy minded. I am sure he understands I have not discredited that motive on his part.

He talks about the convenience of Senators. It is not the convenience of Senators, it is the convenience of constituents and people generally. That is where the elevator operators have been so helpful. In every instance around, as proven and as his own amendment admits to, in different other places here, they can be used and should be used. We think that it has worked extremely well. I have watched the change, as I say.

We have an unusual situation. This is not any business. It is not a first come, first served situation. It is the proposition of having a limited time, with all kinds of time demands upon the Senators to get to that floor and get to the rollcall and move fast. It worked well in the past, because the operators knew that they could say, "Excuse me, just a minute, I have to get the Senator to the floor." It worked and everybody got here.

Now, in the interest of economy and the interest of efficiency, it is one big brawl. We ought to take candid cameras and stick them around there and make a good set of programs and sell them and use the money to put operators back on the elevators.

The PRESIDING OFFICER (Mr. LEAHY). Is all the time yielded back?

Mr. BARTLETT. I yield back my time.

Mr. HOLLINGS. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment. The yeas and nays have been ordered. The clerk will call the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from California (Mr. CRANSTON), the Senator from Missouri (Mr. EAGLETON), the Senator from Michigan (Mr. PHILIP A. HART), the Senator from Indiana (Mr. HARTKE), the Senator from Minnesota (Mr. HUMPHREY), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Wyoming (Mr. MCGEE), the Senator from Montana (Mr. METCALF), the Senator from Minnesota (Mr. MONDALE), the Senator from New Mexico (Mr. MONTOYA), the Senator from

Utah (Mr. Moss), the Senator from Missouri (Mr. SYMINGTON), and the Senator from California (Mr. TUNNEY) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Maryland (Mr. BEALL), the Senator from Tennessee (Mr. BROCK), the Senator from New York (Mr. BUCKLEY), and the Senator from Kansas (Mr. DOLE) are necessarily absent.

I also announce that the Senator from Arizona (Mr. GOLDWATER) is absent on official business.

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

The result was announced—yeas 51, nays 30, as follows:

[Rollcall Vote No. 566 Leg.]

YEAS—51

Allen	Fong	Packwood
Baker	Ford	Pearson
Bartlett	Garn	Percy
Bellmon	Glenn	Proxmire
Bentsen	Griffin	Randolph
Biden	Hansen	Ribicoff
Bumpers	Haskell	Roth
Burdick	Hatfield	Schweiker
Byrd, Harry F., Jr.	Helms	Scott, Hugh
Byrd, Robert C.	Hruska	Scott, William L.
Case	Jackson	Stafford
Chiles	Laxalt	Stone
Church	Leahy	Taft
Culver	Long	Talmadge
Curtis	McClure	Thurmond
Domenici	McIntyre	Weicker
Fannin	Nelson	
	Nunn	

NAYS—30

Abourezk	Huddleston	Muskie
Brooke	Inouye	Pastore
Cannon	Javits	Pell
Clark	Johnston	Sparkman
Durkin	Magnuson	Stennis
Eastland	Mansfield	Stevens
Gravel	Mathias	Stevenson
Hart, Gary	McClellan	Tower
Hathaway	McGovern	Williams
Hollings	Morgan	Young

NOT VOTING—19

Bayh	Goldwater	Mondale
Beall	Hart, Philip A.	Montoya
Brock	Hartke	Moss
Buckley	Humphrey	Symington
Cranston	Kennedy	Tunney
Dole	McGee	
Eagleton	Metcalf	

So Mr. BARTLETT's amendment was agreed to.

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

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

The motion to lay on the table was agreed to.

Mr. HOLLINGS. Mr. President, I wish to engage in a colloquy with our distinguished colleague from Ohio (Mr. GLENN).

The PRESIDING OFFICER. May we have order. If we could have order in the Chamber the colloquy could begin. I ask Senators and staff members who have conversations if they would have the courtesy to carry them on elsewhere. The Chair would like to hear the colloquy.

Mr. GLENN. Mr. President, beginning with the provisions in the second supplemental appropriations bill of 1975, Senators are allowed to use a portion of their home State office rental allowance for the rental of mobile offices. This need has been particularly evident in States where communities are small and far apart; too far apart to be served by traditional fixed offices. I understand that Senators who have been using mobile offices have found them to be quite successful in serving many smaller communities. These offices have increased the ability to communicate with their constituents. Is that also the understanding of the Senator from South Carolina?

Mr. HOLLINGS. Yes, these mobile offices have apparently been very effective in increasing the ability of Senators to effectively represent their constituents and to contact them in more remote and far apart cities or towns.

Mr. GLENN. In the report accompanying the Second Supplemental Appropriation Act for fiscal year 1975, the committee very properly expressed concern about such mobile units being used for purposes other than official business. I certainly agree that every effort should be made to insure that the vehicle be used for official business only and support any efforts to insure this. For instance, the vehicles are now required to have lettering on them noting that they are a mobile U.S. Senate office and for official use only. Also, in the report, the committee stated that it "envisions a vehicle such as various models of self-propelled recreational vehicles but without water facilities, stove, and other amenities usually provided recreational purposes."

In discussing this matter with other Senators who utilize mobile offices, it appears, however, that such facilities can be very helpful in increasing the usefulness of the vehicle for official, rather than recreational, purposes. Is it the understanding of the Senator from South Carolina that the language of the committee report is intended to prevent a use of such facilities in conjunction with or associated with official business?

Mr. HOLLINGS. No, it was not the intent of the committee to absolutely preclude Senators from leasing mobile offices that contain sleeping and eating facilities. Rather, the committee was very concerned with how the offices were to be used, and the committee wanted to make clear the vehicle not be used for recreational purposes.

Mr. GLENN. I thank the Senator from South Carolina. I concur with the Senator's statement. For example, I refer to instances in which it might be useful for staff members to be able to remain overnight in the vehicle in the areas where accommodations are not readily available. This could provide savings to the Government, as well as being cheaper for the employee to use the vehicle rather than to draw the Government per diem allowance of $35 per day for sleeping and eating out. The staff member could also use the office more often, and for longer hours. If the staff member stays with the vehicle it could also provide some measure of security for the vehicle in remote areas, and the vehicle would not be left unattended at night. I think the flexibility provided by basic facilities making the office habitable for short periods is necessary to increase the utility of the office.

The vehicle is readily identified as a mobile office with the Senator's name, and the staff members certainly would be cautioned that any impropriety in the use of the vehicle for nonofficial purposes would certainly reflect on the individual Senator.

Mr. HOLLINGS. I agree that there are situations in which facilities in the office would increase the effectiveness of use of the mobile office, and can understand how a Senator might want to provide flexibility in use of the office in remote areas by allowing sleeping and water facilities in the vehicles. And although I wish to reiterate the committee's concern for the manner in which these vehicles are used, I believe it helpful to make clear that it was not the committee's purpose to prohibit such facilities when used properly.

Mr. GLENN. I thank the Senator. I think this clarifies the committee's intent with respect to the use of these vehicles. We do not want to be required to go to a lot of expense by taking all of this equipment out of the vehicles. By having facilities of this type in the vehicles, we can also reduce per diem expense, and provide flexibility and security where the vehicles are now being used in a proper manner.

OUTER CONTINENTAL SHELF LANDS ACT AMENDMENTS OF 1976

Mr. JACKSON. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 521.

The PRESIDING OFFICER (Mr. LEAHY) laid before the Senate the amendments of the House of Representatives to the bill (S. 521) to increase the supply of energy in the United States from the Outer Continental Shelf; to amend the Outer Continental Shelf Lands Act; and for other purposes.

(The amendment of the House is printed in the RECORD of July 30, 1976, beginning at page 24734.)

Mr. JACKSON. Mr. President, I move that the Senate disagree with the House amendments to S. 521, and ask for a conference, and that the conferees be appointed.

Mr. GRIFFIN. 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. JACKSON. 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. JACKSON. Mr. President, I renew my motion and I request the appointment of the conferees on S. 521, which is pending. It has been cleared with the minority side.

Mr. GRIFFIN. I confirm that, Mr. President.

The PRESIDING OFFICER. Is some time yielded?

Mr. HOLLINGS. I yield.

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

The motion was agreed to and the Chair appointed Mr. JACKSON, Mr. CHURCH, Mr. METCALF, Mr. JOHNSTON, Mr. ABOUREZK, Mr. HASKELL, Mr. GLENN, Mr.

STONE, Mr. BUMPERS, Mr. FANNIN, Mr. HANSEN, Mr. HATFIELD, Mr. MCCLURE, and Mr. BARTLETT conferees on the part of the Senate.

LEGISLATIVE APPROPRIATIONS, 1977

The Senate continued with the consideration of the bill (H.R. 14238) making appropriations for the legislative branch for the fiscal year ending September 30, 1977, and for other purposes.

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of the remaining committee amendment on which there is a time limitation of 3½ hours to be equally divided and controlled.

Mr. FORD. Will the Senator yield?

Mr. JOHNSTON. Yes.

Mr. FORD. I ask unanimous consent that James Fleming of my staff be granted the privilege of the floor during the consideration and votes on the pending legislation.

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

Mr. CULVER. Mr. President, I ask unanimous consent that Michael Naylon and Richard Oshlo of my staff be granted the privilege of the floor.

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

The clerk will state the amendment.

The legislative clerk read as follows:

Beginning on page 36, line 20, down to line 25 on page 38 insert new language.

The amendment is as follows:

On page 36, beginning with line 20, insert:

ACQUISITION OF PROPERTY IN SQUARE 630 IN THE DISTRICT OF COLUMBIA

To authorize and enable the Architect of the Capitol, under the direction of the Senate Office Building Commission, to acquire on behalf of the United States, as an addition to the United States Senate Office Buildings Complex and United States Capitol Grounds, by purchase, condemnation, transfer, or otherwise, all publicly or privately owned real property contained in Lot 71 in Square 630 in the District of Columbia, as such Square appears on the records in the office of the surveyor of the District of Columbia as of the date of the approval of this Act: *Provided*, That upon acquisition of any real property under this paragraph, the jurisdiction of the Capitol Police shall extend over such property, including the improvements thereon: *Provided further*, That any proceeding for condemnation brought under this paragraph shall be conducted in accordance with the Act of December 23, 1963 (16 D.C. Code, secs. 1351–1368): *Provided further*, That, notwithstanding any other provision of law, any parts of streets contained within the curblines abutting such Lot shall, upon request of the Architect of the Capitol, with the approval of the Senate Office Building Commission, be closed and vacated by the Mayor of the District of Columbia: *Provided further*, That, upon acquisition of any real property pursuant to this paragraph, the Architect of the Capitol, when directed by the Senate Office Building Commission to so act, is authorized to lease any part of such property not required for immediate occupancy by the United States Senate for such periods and under such terms and conditions as he may deem most advantageous to the United States and to incur any necessary expenses required for occupancy of the building contained on such Lot, whether occupied by the United States Senate in whole or part, or by others through lease agreemment: *Provided further*, That, notwithstanding any other provision of law, any sums received from such lease agreements shall be credited as an addition to appropriations for the "Senate Office Buildings": *Provided further*, That the Architect of the Capitol, under the direction of the Senate Office Building Commission, is authorized to enter into such contracts, incur such obligations, and make such expenditures, including expenditures for personal and other services, and, if required, any expenditures authorized by Public Law 91–646, approved January 2, 1971 (84 Stat. 1894–1907) applicable to the Architect of the Capitol, as may be necessary to carry out the provisions of this paragraph; $35,500,000, to remain available until expended: *Provided further*, That, upon occupancy by the United States Senate of the property, herein authorized to be acquired, the building contained on the aforesaid Lot 71 shall be deemed to be a part of the "Senate Office Buildings" and the grounds comprising such Lot (together with any areas contained within the curblines abutting such Lot closed and vacated pursuant to this paragraph) shall be deemed to be a part of the "United States Capitol Grounds" and, as such, shall be subject to the laws, rules, and regulations applicable to those buildings and the United States Capitol Grounds.

Mr. HOLLINGS. Mr. President, in reporting out the Legislative Branch Appropriations Act, 1977, H.R. 14238, the Committee on Appropriations recommended language and appropriations totaling $39 million to enable the Architect of the Capitol, under the direction of the Senate Office Building Commission, to acquire, maintain and make certain alterations of the property contained in lot 71 in square 630 in the District of Columbia—the 400 North Capitol Street building—for Senate office building purposes. This building containing approximately 500,000 square feet of usable office space is immediately adjacent to the Capitol grounds and the committee believes that it is the best solution to the Senate's critical office space and parking requirements.

As Senators will recall the supplemental appropriation bill, 1976, authorized the Sergeant at Arms and Doorkeeper to negotiate a lease for Senate use of this building. Negotiations with the advice and assistance of the Architect of the Capitol, General Accounting Office, and General Services Administration were conducted earlier this year but it was not possible to come to an acceptable lease agreement. In fact, over the minimum 8-year period the Senate requires this additional space, the lowest level of rent negotiated with the owners, plus the taxes the Senate would have to pay, would amount to 95 percent of the $31,500,000 fair market value established by a GSA preliminary appraisal of the building with the tenant improvements included in the offer to sell the property to the Senate.

I reported these developments to the Committee on Public Works on March 18, 1976, a report that our ranking minority member, Senator SCHWEIKER, fully supports. The result was a request to the Commission on the Operation of the Senate for a study of the Senate's space needs. The Commission has indicated it would be difficult to accomplish this additional task in view of their already established plans to finish their work by the end of the year. No one knows better than this subcommittee of the need for planning on Capitol Hill since in 1973, and again in 1974, the Senate approved my recommendation for funds for a master plan. Each time the House turned us down, but finally last year we obtained an appropriation for a master plan. However, a contract was not entered into until April 19, 1976, and it will be next October before we see the plan.

Some 160,000 square feet of additional office space has been acquired since 1970 in square 724 immediately north of the Dirksen building, but the Senate has experienced a 75 percent increase in employees over the same period so that these additional facilities are virtually all committed. This expansion has included the addition of two new committees—Budget and Intelligence—the additional personnel authorized for Senators (S. Res. 60) that in part, has required the assignment of 136 additional rooms above the prescribed allocation to 60 Senators; and the establishment of the Commission on the Operation of the Senate and the Committee on Committees; as well as major investigations of Watergate and intelligence activities. This expansion is not over as the Committee on Rules and Administration is now considering the "Sunset Bill" (S. 2925), that undoubtedly will require a major increase in staff to review the Federal programs as prescribed within that bill.

Even if we do not buy the building, the Sergeant at Arms requires 38,000 square feet in additional space to house the expanded computer center, including the second computer to be delivered early next year to provide the long-awaited Senate comprehensive legislative information system. The Office of Technology Assessment, which is currently crammed into six different locations on Capitol Hill and must constantly rent expensive space in nearby hotels for meetings of their assessment panels, requires approximately 60,000 square feet. The most likely place to locate these two activities is in the 400 North Capitol Street building at an annual rental cost exceeding $800,000 a year.

The Architect of the Capitol has testified that $8 million in inflation costs could be saved if the Senate staff now housed in the square 724 buildings could be transferred to the 400 North Capitol Street building, so construction of the long-needed underground garage for the Senate could be initiated some 3 to 4 years earlier than previously planned. The Senate moved into these inefficient and almost unsafe buildings, because there was nothing else available at the time, but now we have what may well prove our only and last opportunity to

house our employees in close proximity in proper and suitable space.

The 400 North Capitol Street building would carry a bonus of 948 additional parking spaces which would help terminate the silly situation we now have of 2,758 permits issued for the 595 unreserved spaces in the general parking lot with the result that the surrounding neighborhood is inundated with the cars of Senate staff. This situation will be further aggravated by the District of Columbia Government plan to restrict curb parking on Capitol Hill to 2 hours during the day. In 1972 when the Committee on Appropriations approved the construction of the Dirksen extension, we deferred on the underground garage, because of the 4,000 parking spaces planned for the Visitors Center. Last week the Interior Department announced that they were "buttoning up" that project without providing any additional parking facilities for tourists and visitors to Capitol Hill. This reinforces my conviction that we need to move promptly on the garage so that the visitors to our offices can eventually have some place to park their cars.

The completion of the Dirksen extension will not obviate the need for acquiring the 400 North Capitol Street building. As I have detailed above there is a demonstrated need for over half of that building right now, whatever portion the Senate does not need could always be used to satisfy the space needs of other Federal activities. The Architect of the Capitol has also indicated that after the extension is completed, no earlier than mid-1979 at best, there will be a continuing requirement for a reservoir of 150,000 square feet to allow the alterations contemplated for the Russell Office Building. So that in sum, there is a justifiable Senate requirement for this building for at least 8 years. As I have indicated it would be approximately the same cost to purchase as it would be to lease the building for that period of time; the purchase would be at a price that, in the opinion of the Architect, is far less than it would cost to build such a structure today, and the Senate, instead of some outside landlord would be in the control of the building.

In noting the dear colleague letter of our distinguished colleague from Iowa with regard to the purchase, I find his objections to be twofold: One, we in the Senate are not deliberate, we are sort of haphazard, we are not comprehensive, and it is a sort of willy-nilly, come what may, and however it happens decision in order to get additional space on the one hand, and what we should really be doing is to have a proper, comprehensive, expert kind of study, a commission recommendation type approach to a decision for additional space for the Senate needs.

On the other hand, I guess it is uneconomical, or when they say it is a third of a mile from First and C Streets, that everything is short term and we will just have space coming out of our ears, it is just not needed.

I guess those are the two objections.

Concerning the desire that there be a systematic procedure for assessing the Senate's future space, we are about as systematic as any Senator would be in running for the office which he now holds. I would imagine, Mr. President, if you called in some management consultants and said, "I want to run for the U.S. Senate" and wait for that crowd to decide the electorate and potential issues and everything else of that kind, where you should start and what have you, you would still be studying and the other fellow would be elected.

You start out that way and it sounds good. Everybody tries to get polls taken to find out what his recognition is with the voters, what the issues may be, and everything else like that, but before long you get caught up and you end up physically trying to cover the important parts and sections in a campaign as well as the issues.

I guess that is the way it has developed in the U.S. Senate and particularly here on Capitol Hill. For instance, the legislative subcommittee and this particular Senator in a brief period of time of 5 years, and theretofore as a Senator for 5 additional years, have been engaged in a series of hearings relative to the development of Capitol Hill. We have been about as systematic as we possibly could be.

We have had demands and we have answered those demands, not only for the FBI building but for the annexes, for the increased size of the Capitol Building, its restoration. We even have studies and diagrams, architectural drawings, for underground office space in either wing; a proposal for garage space for the east front underground, going to the old railroad tracks between the Supreme Court and the Capitol Building. We, of course, have put in an extension, the Madison Memorial Library, to the Library of Congress, which we had to prevent the House from taking over because they were so crammed for additional space.

We have had hearings on the extension to the Dirksen Senate Office Building, hearings with respect to the proposed parking garage, which has been approved by the Senate once, and what we might characterize as the Carroll Arms block just behind us.

We have had hearings with respect to all the different needs. As we have tried our best, we have come up with the same idea, on which I joined with the Senator from Iowa, of let us try to be as deliberate and systematic as we possibly can be. In doing that, we have commissioned the Architect of the Capitol to a comprehensive master plan of Capitol Hill, the House side, the Senate side, and all the buildings and everything else.

There are a lot of things to be concerned with, not just the space but the esthetic nature, the appearance of the buildings, so it will not look like the Kremlin, a bunch of boxy office buildings, taking away from the beauty of Washington.

We had all kinds of studies. We commissioned studies several years ago. Finally, in April, he did get a Philadelphia expert firm. We have had many expert studies.

In the meantime, we have to respond because life in the Congress is just not that deliberate. We have to act and move as a result of the necessities. The necessities would mandate now, if we had a systematic way, that we all go off to jail with the OSHA inspector. He would come in and he would find that we have half of the per square footage necessary for safe, healthful, operable office staffs that would be found in what everybody loves today in this election year, that which is known as private, free enterprise. Private, free enterprise had a decision to make.

We called up OSHA, whom we expected to bring everybody up on safety and health standards. All the Senators would go to the District jail because we are all in violation. This is not looking futuristically, or what we might need, but we are finding out that the only way to handle the business, as the Senator from South Carolina and the Senator from Florida and other States have found, is to send all the caseworkers home and try to get the Senators to try to handle it.

Incidentally, I find it perhaps even more economical and responding well, but we have had to do that out of the force of necessity, and we still cannot now, with Senate Resolution 60 that was passed last year, take care of the needed space. I am sure the distinguished Senator from Iowa understands this, because he has been asking, like other Senators, for extra space in order to do his work.

We have attempted, and I tried my best, to give everyone a general breakdown of the immediate needs of the Senate, and where we have them.

Immediately we need, for the computer center, 30,000 square feet, and for OTA 60,000 square feet.

We need to accelerate the underground garage in square 724. That is a square footage area of some 178,000 square feet. This, incidentally, started last year. It is no last minute proposition of trying to sneak by the purchase of a building. The truth of the matter is—the distinguished Senator from Idaho (Mr. McCLURE) raised the point last year, and we tried to show we wanted everyone possible to be brought in on the action. Some mentioned that a distinguished former colleague, Senator Smathers, was representing the owners of the building, and, since we have government in the sunshine, we wanted to find out, in leasing the space, that we were getting the best possible deal for the Government, so we wanted it looked at by the GAO, the GSA, the Capitol Architect, the Public Works Committee, the Sergeant-at-Arms, and the Appropriations Subcommittee and the full Appropriations Committee.

So we advertised to all the world, over a year ago, that we were looking at this building to try to lease this needed space. Incidentally, when I look at that space

and the difference, about a third of a mile, I think of the FBI annex that the House is having to use now, and they are spilling over into it right now, and that is why they are moving the OTA out and forcing us to try to lease that space.

When the Architect, the Sergeant at Arms, and the GSA in particular—they were our witnesses—started analyzing this particular lease, and finding out the cost per square foot, and what it would be projected over the needs of the Senate over another 8-year period, we found out we were paying, in lease money, what we could actually buy the building for and get it right now, and have it all ready at the end of this year. To put it bluntly, I wanted to make sure we did not put the money down a rat hole just to help the owners pay off the mortgage payments, and then, at the end of 2 or 3, 4 or 5 years, be paying an increased lease, or more moneys, or an increased price for the building itself. I just thought it was poor business judgment, and I felt so strongly about it that I brought the matter before the subcommittee, after considering all the offices involved, and I asked not only the subcommittee but the full committee to look at it in detail and approve a negotiated purchase by our own Senate Office Building Commission, headed up by the distinguished Senator from Alabama (Mr. SPARKMAN) and the Architect.

The Architect, after careful study—the very same man who has been making more master plans and studies and everything else of that kind than anyone else; we ask people to look into things when I daresay the Architect of the Capitol has looked in more than any other single individual over a period of years, and more than any commission. We could bring in a commission now, and get the Senator from Maryland and the Senator from South Carolina, and appoint us a commission, and we would have a difficult time coming up with the comprehensiveness of vision and understanding of office space needs that the Architect himself would have had from his own experience.

Based on that particular experience, he recommends very, very strongly that we move forward and try to see, at this time, if we can purchase the building.

Over the last 5 years, the payroll of the Senate has grown from 4,900 to 6,600 employees. That is an average increase of 340 per year. I notice everyone is trying to go out of business around here, but every time they try to go out of business, they appoint another commission. You know, that is the old political axiom: When in doubt do nothing, and stay in doubt all the time. Diego Garcia: Let us wait until next year. The B–1 bomber: Wait until next year. Postal improvement: Wait for the next President, and see what Jimmy Carter wants to do. Every time we look around, we have another sunshine commission, a budget commission, a Culver commission—they are coming out our ears, to the total of 340 people per year. We have added these new committees and everything else to command the space. If we were a little less systematic, maybe we would not need any room at all. Perhaps that is one way to put it.

But the long-range needs of the Senate mandate not only taking up this jam that we have at the present time, but the refurbishing of the Russell Office Building after we get through with the Dirksen extension. If we could move forward a little bit ahead of inflation in this architecturally vicious laissez faire, building construction-wise city—Washington, D.C., is the worst I have ever seen; I would really hate to have to build a home here. I found that out with the FBI Building; every time we would go ahead and have a hearing, they would say, "It is going up at the cost of a million dollars a month," and it ran over 18 or 19 months more, so it cost us $19 million or $20 million more, double the cost we had originally projected. That is true of every building. Going down here to the tourist center, we were going to have that ready by July 4, 1976. They are removing all the parking areas and facilities and everything else, and they are not through with it yet.

The same old problem every time: If we could go ahead with the parking garage on square 724, we could eliminate the sham that we have, for example, with respect to elevator operators. They have down there somewhere in the neighborhood of 595 parking spaces, but they issue 2,758 permits, and they spill over onto the sidewalks, and your sister comes to Washington and drives around 3 hours, and when she finally gets to the office she is in a temper, and she is angry because she has not been able to park, driving and driving trying to find a place. What we have done is preempt all the constituents with our own needs, staff and witnesses and everything else, early every morning.

It has gotten to a critical point. We are not picking up 4,000 spaces, as they said, down at the tourist center; we will be lucky to end up with 1,000 of those, if and when that comes about.

This building at 400 North Capitol would immediately give us access to 948 parking spaces, attendant-wise, or some 800 unattended, in that particular building, that are needed right now.

We look at the regular lease, and that gets us, too, because we find with the operation of the computer, which operates on a double shift, when we look at that lease we find we are going into overtime on each day, plus 10 hours on Saturday and 10 hours on Sunday, at $35 an hour, and we find out immediately that it costs, on that kind of leasing arrangement, for the, again, peculiar needs of the National Congress, we would be paying $81,900 a year extra just there. It would cost us some $3 million to readjust it into Senate office space.

I could go down the list of these details that I put before our colleagues generally in support of this particular measure, but I want to try to retain some of my time and answer any questions that Senators may have, or perhaps some of the arguments of the opposition.

In a capsule, we have been as deliberate as a body could possibly be. This is not only simply a nice thing. It is a very nice thing. If we do not have this space now, I do not know where they are going to put the computer, I do not know where they are going to put these other offices. Some of the others are moving out.

I will get to the point of the Governors' conference, and many of the others, who were negotiating for leases, who would like to use the extra space we would not need now.

We brought this out in the GAO report with respect to postal facilities in the United States, that when we build here, we do not build only for this year's needs, we build for a 10-year projection. The Post Office Department was criticized by GAO for not leasing out available space and all the extra room that they had in construction over the country. There is no reason why we cannot become the landlord here because we will have a break. There is no doubt about the real estate market being depressed. There is no doubt about the Securities and Exchange Commission having been switched off. They were looked upon as the prospective tenant. There is no doubt in my mind now that come the first of the year, regardless of who is President, we are going to bounce back economically, and people are going to start moving back up into this area. It is going to become even more critical than ever before.

I think if we can negotiate now the particular purchase of that building, as recommended by the Architect, we should. We could not reconstruct it right now, if we had to, for less than $8 million more. We could save another $8 million by jumping, getting ahead of inflation, and going ahead with the construction of the parking garage.

Mr. President, we get into the issue of the unsafe nature of some of the buildings right now that have personnel and machinery from the Senate in them. That is so right across in building 724. Informally I hear now OSHA has not approved that for occupancy. If we can get out of this makeshift operation that we have there on that particular square, we can take care of our current needs and we can take care of the projected needs. We can handle the shift in a very good way, I think, from the Dirksen extension to the renovation of Russell, and I can tell Senators here now that when they allocate office space around to Senators—that is the way it is being built—each Senator is going to get a basic floor space plan. There will be extra space, obviously, for the Senator from Pennsylvania because he has a much larger State in population to serve than the Senator from South Carolina.

But with that basic approach being used right now, as mandated by the Senate, all space is going to be taken up by these new commissions, study groups, staff groups, budget work, CBO, OTA, and everything else. We are running out of space unless we are going to try to

clear off some more blocks and build some more buildings. I think this is convenient enough if we please, in which to be located some of the allied services and commissions that do Senate work.

I thank my distinguished colleague from Pennsylvania who, as I stated at the very beginning of the consideration of this bill, has been watching, and he has been prevailing. He has prevailed with respect to pay and with respect to self-operating elevators. And one can see that he looks at every nickel and is looking at every dime. He has looked at this with the same judicious economic business or horse sense as to purchase in contrast to the present lease arrangement which, in my judgment, would just take the pressure off the present owners of the building by paying off that mortgage, and then we would end up trying to get in more space or even a more expensive purchase than ever before in the years to come.

Mr. SCHWEIKER. Mr. President, I rise to support the committee's position on the acquisition of 400 North Capitol. I believe this is a very essential part of a long-range plan for badly needed space in the Capitol Hill area.

I think we have a unique opportunity to get this space at a very reasonable cost and also to get it while prices are at a much lower level than at some future time for a building of this type.

I made an analysis of what this costs in terms of private investment versus Government spending. Everyone knows when the Government builds a building costs escalate in terms of cost overruns. Unfortunately, we are seeing some of that in the extension of the Dirksen Building right now, and I am afraid we have not seen the end of it. We are hoping that it is going to be $85 million to build that extension to the Dirksen Building, but I would not count on it. I would not bet on it. In fact, I would bet on just the opposite.

So the unique situation here is we have a known fixed real estate cost and price for office space. It is not something for which we have to contract out and then see add-on and add-on and overrun and overrun. We know exactly the package we are buying. We know what it will cost, and we are taking it from the private sector so we are getting a better price break on it than if we built it ourselves.

For example, 400 North Capitol costs $35.5 million to buy under the proposal before us. It has about 500,000 square feet of usable office space. This comes down to about $71 per square foot for this building. And that is usable office space. That does not count ancillary space, such as corridors, stairwells, et cetera, which will make the figure low. It does not count 950 parking spaces. So, in addition to the $71 square foot of usable office space, we are also getting 950 parking spaces which is a bonus over and above that cost.

Now look at what the extension to the Dirksen Building is costing us. The latest estimate now is $85 million. I frankly will be surprised if we do not hit $100 million, but let us assume the conservative estimate of $85 million.

According to the Architect, we are getting 758,000 square feet of usable space, and I might say I am being liberal on that because I see in the letter that our fine colleague sent out they actually used a lesser figure. Their figure in usable space was something like 670,000 square feet. That is from my three distinguished colleagues. So I am giving the benefit of the doubt and I am taking the Architect's higher figure of 758,000 square feet that we will get out of the new Dirksen extension. That is $112 per square foot that Dirksen is costing us for usable office space.

So very simply what I am saying here is that we are building Dirksen at $112 a square foot, and we have an opportunity to buy another building presently constructed at $71 a square foot. So we are getting one-third off what it costs to build a Government building. No, we are not getting a monumental building; no, it does not have marble over it; and no, it does not have some of the edifices that we like to put into a monumental building around the Capitol. But the point is it is workable and usable office space.

So by buying this building we are getting a third off of what it would cost if we started today to build a building. This is a price based on construction of x years ago when this building was built, and we would have to pay the inflated price of building and construction from now into the future. So the comparison is far more favorable than the one I am making of $112 per square foot for the Dirksen extension space versus $71 per square foot for the North Capitol space. It is actually a bigger gap than that because we would have to build for future growth somewhere in the Capitol area after the Dirksen extension is completed. It would have to be built at maybe a 20 or 30 percent inflated rate per construction cost. So the big advantage here is we know the costs, the costs are controlled, definable, specific, and they will not escalate. And that is a very significant matter.

We can look over at the Rayburn Building and see the horrendous escalation and overruns there. Just about every building we have built in the Capitol area has had this affliction of cost overrun disease. And we know that we get a pig in the poke whenever we build one of these monstrosities, and it is not necessary. We do need to invest in space, but here is a way to do it better and to do it in a way that is going to save us money in the long run.

We are also going to save money because unless we buy this building we will have to go out and rent certain space. The chairman of our committee, in his statement, will outline the very expensive space needs that we will need temporarily. First, we will need it before the Dirksen Building is built, and we need it badly now, and his statement covers that.

Also, after the Dirksen extension is built, we will need some additional space. By his figures, we, in essence, will pay for this building, just by the rental of it, in 8 years. So if we go the other route and just rent space, we are kidding ourselves because we are going to need additional space sooner or later. Every aspect of history, every fact, every indication here is that we will need space in this area. We are going to need it in the foreseeable future; we need some now.

There are some buildings behind the Dirksen Building which are occupied on a temporary basis, and we need to clean them out so that we can go ahead with construction. We could save money immediately by going ahead with constructions costs now if we have other space to go into, as opposed to waiting 2, 3, or 4 more years and having to pay higher construction costs for clearing up the area covered by the Monocle, the Carroll Arms, and the other auxiliary office buildings.

So there are about three ways we are going to save money if we take the long-range view instead of the short-range view.

First, we are getting a building at one-third less than what it costs to build a Federal project—$112 a square foot versus $71 a square foot. And that is now, as opposed to what it would be 5 years from now, if we decide then to build such a building, which is about when the Dirksen Building will have been completed and everybody will be screaming for more space. We would have to add here the cost of more construction escalation. So the $71 per square foot versus $112 per square foot is only part of the setting.

There is another saving coming up, because we can go ahead in the renovation and change in the area around the Carroll Arms, because instead of delaying that project while building costs escalate, we can do it now.

Third, we will have a saving simply because we are going to have to rent this space, anyway. So, is it not far better to put it in the context of a long-term buy rather than pay rent for it, which will be down the drain and will not be recovered?

The history of office space in this area, on the House side and the Senate side, shows that we are going to need more space. We need some now, and we will need more later. It makes more sense to own a building than to pay rent; because, as the chairman has pointed out, we will pay for the building after 8 years of rental. So why not look ahead? Do not be penny-wise and pound-foolish. Bite the bullet now, because in the long run, it will save money for the Capitol Hill area.

Also, one other facet of this is that it does tie into a general need of the area. It is located physically within the area between here and Union Station, which will be the Visitors' Center. It is located where a building normally would be located in this area. You would not want to put a building right up against the Capitol, anyway, because of the grounds and parks. So it does not destroy the environment or impact on parking space, because it has its own parking spaces—950 of them. It solves a problem we have immediately, and it does not dump a lot of cars on the street, such as the three permits for every parking space which we now issue. It fits the long-range Cap-

itol plan because it is near enough to be convenient, but it does not scar the Capitol area and does not put black macadam parking lots all over the place, which we have had to do so that our staffs have a place to park.

In a nutshell, I think it is a good investment. True, it will cost more money now; but when we figure that we will get our money back in 8 years and that every 8 years it will pay for itself, it is a pretty good investment.

If we construct a building 5 or 8 years from now, we can figure that $112 a square foot—which is the price tag on the Dirksen Building—would be obsolete. So we would be getting this building at one-third off the price of the Dirksen Building or probably half the price of constructing the next office building.

Also, we do not need monumental buildings. There is a plain need for office space. They do not all have to look alike, a Senator's office or a Capitol office. They do not have to fit a grand scheme with slabs of marble and esoteric architecture, which runs up costs. We need plain office space. This building is ideal, because it was designed for commercial office space.

We can move in and out with temporary and permanent assignments without disrupting the exterior part of the building or the interior, because it was designed for mobility in office space. It is an investment that will pay dividends three or four times over in the next decade or two; because, as surely as rain is going to fall in the Capital within the next month or two, we are going to need more office space. We have the need now and will have the need when the Dirksen Building is completed.

I support the chairman in this committee recommendation, because in the long run we are going to save money for the taxpayers by paying for the construction now and by not kidding ourselves that we can get it cheaper by rental.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that John Brooks, a member of the staff of the Senator from Virginia (Mr. HARRY F. BYRD, Jr.) have the privilege of the floor during the consideration of this matter.

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

Mr. CULVER. Mr. President, I ask unanimous consent that I be afforded an opportunity to place in the RECORD a prepared statement and accompanying documents.

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

STATEMENT

We are not dealing here with a crisis situation. The only Senate function which is in clear need of immediate space is the computer operation whose requirements are relatively modest and which could be met in a variety of ways. We are being asked to make a wasteful and imprudent commitment on the basis of an action taken counter to the recommendation of the duly constituted authorizing committee. To purchase a privately financed speculative venture at 400 North Capitol Street comes dangerously close to bailing out a building spurned by private occupants over a long stretch of time and deemed inappropriate for the space needs of the executive branch. We have not been told how so large a building will be filled nor by what guidelines. Indeed the provision of so much excess space is in itself an open invitation for Parkinson's law to take command. For we all know that such a vacuum becomes a ripe reason for personnel expansions. By every rational standard this is a time for restraint—especially since we have set in motion both the Hart Building (Dirksen extension) and the kind of rigorous studies of better utilization of space which will better enable us to take advantage of the space we already possess.

On May 20, 1976, after full hearings on on this matter, the Senate Public Works Committee thoroughly discussed the purchase of this building by the Senate for $31.5 million. The committee decided that acquiring this building was an unwise and wasteful course of action at this time, and the members voted to refer it to the temporary commission on the operation of the Senate in conjunction with that group's study of the Senate's office facilities. Among the reasons for rejecting the purchase was that the committee felt there was insufficient information about the Senate's long-term space needs to justify this commitment at this time.

Since that time, there has been an exchange of letters between the commission and members of the Public Works Committee regarding this building. Though the owners had already withdrawn their offer to sell it to the Senate because the price of $31.5 million was not considered adequate, the distinguished chairman of the Public Works Committee Mr. Randolph communicated the committee's decision in a letter to the chairman of the commission by stating that "an analysis of the justification and feasibility of purchasing this building should be obtained from the temporary commission on the operation of the Senate in conjunction with its ongoing examination of the Senate's office accommodations . . ." The chairman of the commission responded by saying that "the Senate does not have a systematic procedure for assessing its future space needs or allocating the available space among the numerous activities on the basis of objective criteria." He concluded that it was not surprising that the Committee on Public Works had found it difficult to make a rational judgment on this matter without having examined various considerations regarding space utilization and requirements. Mr. President, I would like to ask unanimous consent to have these letters, and the list of considerations from the temporary commission inserted in the record.

Subsequently the distinguished chairman of the Subcommittee on Buildings and Grounds (Mr. Morgan) and the Senator from Iowa (Mr. Culver) asked that the commission devote greater attention to developing better procedures for assessing space needs and fully utilizing available space and to provide the subcommittee with its findings. As indicated in a September 7, 1976 letter, the members of the temporary commission had discussed the need to address these spatial considerations at their full meeting August 25, 1976, and they have assigned a staff member to look at ways of improving the Senate's decisionmaking process regarding space utilization and requirements. Various studies have been conducted by consultants for the commission, including one whose factual findings demonstrate the folly of this acquisition. It is expected that the commission's final report to the Senate early next year will include recommendations improving on the fragmented system of space use and administration in the Senate. I ask unanimous consent that this correspondence be included in the record.

Mr. President, let's take a close look at what is going on at this time regarding the long-term space requirements of the Senate. First, the Senate is in the midst of constructing a massive extension to the Dirksen Senate Office Building. This extension, which is scheduled for completion in 1979 will include 2½ times as much usable office space as the Dirksen Building. It is expected to handle the Senate's needs beyond the year 2000. The architect of the Capitol earlier this year began formulating a master plan for the Capitol grounds. This important planning study, to be completed in 1977, will assess the physical growth of the Capitol complex. This is the kind of information needed to make a long-term, rational decision regarding space planning and needs, and it will add to the recommendations of the temporary commission concerning the Senate's administration of space.

Frankly, Mr. President, there is no long-term space demand to justify purchasing and occupying this massive building for $39 million. This building, with approximately 552,000 square feet of usable office space is so large that it could accommodate all existing Senators' suites and committee space—except hearing rooms—with 100,000 square feet remaining. Preliminary studies of the temporary commission on the operation of the Senate have indicated that the Dirksen extension will easily meet our space requirements for the rest of this century. The figures are shocking. For instance, the Dirksen extension will increase the square feet of office space available for each employee from the present 65 square feet to 150 square feet per individual, and the General Services Administration considers 100 square feet per person to be optimal for grades 12 and 13. Present plans call for 50 Senators' suites of 5300 feet each in the extension; the average size now is 2100 feet.

I agree that the Senate has experienced rather wrenching growth over the last few years, and I know we often work under intolerable space conditions. We have attempted to alleviate these demands by acquiring 178,000 square feet of space in the so-called Monocle block. Of course, these are not the most spacious or luxurious quarters, but they are temporary and for the short-term only and will not be needed after the Dirksen extension opens in 1979. Our recent expansion in staff resulted primarily from various unique institutional changes. For example, we developed the Office of Technology Assignment, the Congressional Budget Office, Senate Resolution 60, and the Senate Budget Committee, all of which automatically increased the demand for space for these additional staff, but it is highly unlikely that such major changes in our structure leading to greater staff growth will occur again for several years. In fact, it is conceivable that institutional changes resulting in a reversal of staff expansion might occur. We have the Select Committee on Committees for instance, looking into the distribution of committee jurisdiction, and I am hopeful that its recommendations will urge a consolidation of our committee jurisdiction.

The main justification for acquiring this building—as presented by the distinguished Senator from South Carolina—is that we will be able to transfer the 178,000 square feet of office space in the temporary buildings in the Monocle block to the new building at 400 North Capitol Street. We would then be able, so goes the argument, to move ahead on the construction of a $30 million parking garage on that site. This line of reasoning overlooks one important fact: that parking garage has never been authorized by the Senate. As a matter of fact, the only thing that has been done is the authorization in 1972 for preliminary architectual design, and the $50,000 appropriated for that purpose has never been expended. I think we must fully realize that a principal justification for this purchase proposal is the construction of a garage which has never been

authorized. Is the Senate willing to authorize a parking garage costing at least $30 million now or in the near future? I don't think so. As a matter of fact, there is a catch 22 to this matter. The purchase of 400 North Capitol Street, is justified partially by a project—the parking garage which will add 1450 parking spaces and estimated to cost $20,000 per space—that cannot itself be justified once the 400 North Capitol Street building, with nearly 948 parking spaces, is bought.

The insufficiency of space, the inefficient use of space, and the inadequacy of facility planning are major problems for the Senate. We do not have a systematic and rational administration of space use or a comprehensive determination of our needs. Frankly, the Senate—and the House—are very inefficient and wasteful in this regard. A current, detailed, room-by-room inventory of Senate space based on existing activities and user population does not exist. We do not even know what functions occupy space in some areas of the Senate office facilities and there are certain activities and functions being performed on Capitol Hill for the Senate which could just as easily be performed somewhere else. Does the folding room operation, for instance, have to be done in the Capitol or one of the Senate office facilities? How much storage space in the Capitol could be more efficiently and better utilized as office space? The important issue in this debate is the irrational and haphazard method by when the Senate uses and acquires space. Our present method is inefficient and costly, and before we make another move I think we should wait until we definitely know we need additional space and until we have a chance to look at the various studies being conducted on our space needs and utilization and what options exist for orderly physical growth on Capitol Hill.

MAY 21, 1976.

Re 400 North Capitol Plaza.

Hon. JENNINGS RANDOLPH,
Chairman, Committee on public Works,
U.S. Senate,
Washington, D.C.

DEAR SENATOR RANDOLPH: We understand that by a vote of 7–6, the Committee on Public Works has referred the question of acquiring our Building to the Committee on Operations of the Senate for study by said Committee.

It is obvious that all this will entail a considerable delay in time with continued uncertainty as to the ultimate decision.

We feel that we have been most cooperative in waiting on the Senate as we have since July 29, 1975 (the date of our original offer to lease) especially as in so doing, it has been most costly to us in actual out-of-pocket carrying costs. Also, in the past two months, we have lost two very substantial tenant prospects who would have given us an excellent start towards filling up the entire Building.

In our original offer of March 17, 1976, we pointed out that time was fast becoming of the essence as far as we were concerned. The recent dramatic change in the office rental market in the District has made this even more vital.

In view of the latest turn in events, *i.e.*, the referral of this matter to another Committee, we regret that we cannot afford further delay. As a matter of fact, we think it only fair to add that even if Senator Morgan's motion had been passed, we would not have been amenable thereto, differing as it did so very substantially from our March 17, 1976, offer which we have always considered eminently fair.

Accordingly, we are compelled to herewith withdraw our offer of March 17, 1976, to sell our Building to the United States Senate.

We do want you to know how very much we appreciate the efforts that you, Senator Morgan, George White and Frank N. Hoffman expended to try to bring this matter to a conclusion.

Respectfully,

GLEN H. BALLOWE.

JUNE 2, 1976.

Hon. HAROLD E. HUGHES,
Chairman, Commission on the Operation of the Senate, Washington, D.C.

DEAR HAROLD: On May 20, the Committee on Public Works met to consider a proposal to purchase a new privately constructed office building located at 400 North Capitol Street, Washington, D.C.

As you may know, the Legislative Appropriations Act of 1975 authorized the Sergeant at Arms of the Senate to enter into negotiations with the owners of this building with the objective of leasing the facility for five years. These negotiations were suspended in March 1976, and the owners offered to sell the building to the Senate for a price between $31.5 million and $35.5 million. The Committee concluded that an analysis of the justification and feasibility of purchasing this building should be obtained from the Temporary Commission on the Operation of the Senate in conjunction with its ongoing examination of the Senate's office accommodations pursuant to Senate Resolution 227.

Accordingly, the Committee voted to refer this matter to the Commission for its evaluation. A letter was subsequently received from the building's owners withdrawing their offer to sell the structure. The Committee believes, however, that various residual questions about the long-term space needs of the Senate remain unanswered and may be reopened in this instance. These questions included the identification of future space needs, the proper parameters of expansion by the Senate, and whether or not the purchase of a privately financed building is advantageous and economical. As a result of the motion by the Committee, we hope the Commission will be able to include an analysis of these matters in its ongoing study and in its replies to the Committee.

A hearing on the proposed purchase was conducted by the Subcommittee on Buildings and Grounds on April 9. Printed copies of the hearing proceedings are expected to be available within a few days. The transcript of the Committee's May 20 meeting is available for examination in the Committee office. Housing for Senate activities is related to its overall functions and I will look forward to reading the Commission's findings and recommendations in this regard.

With best personal regards, I am,

Truly,

JENNINGS RANDOLPH,
Chairman.

JUNE 16, 1976.

The HONORABLE JENNINGS RANDOLPH,
Chairman, Committee on Public Works,
United States Senate, Washington, D.C.

DEAR JENNINGS: Your letter of June 2, 1976 referring the proposed purchase of the office building at 400 North Capitol Street to the Commission on the Operation of the Senate for analysis has been received. Copies of your letter will be sent to the members of the Commission and it will be placed on the agenda for discussion at the next meeting which is expected to be in August.

My own view is that the resolution establishing the Commission neither intended nor authorized it to participate in such day to day decisions of the Senate as the acquisition of an office building. Rather the task of the Commission is to undertake "a comprehensive study of the organization and operation of the Senate" with a view to suggesting methods of modernization and improvement.

So far as the Commission has been able to determine the Senate does not have a systematic procedure for assessing its future space needs or allocating the available space among the numerous activities on the basis of objective criteria. The last survey of space utilization of which we are aware was conducted in 1973. Reliable projections that relate numbers of personnel and activities of the Senate to requirements for office space and facilities do not exist so far as we have been able to learn. Thus it is not surprising that the Committee on Public Works has found it difficult to make a judgment on the matter of the proposed purchase of an office building.

The present situation results, in part, from the scattered responsibilities for Senate Administration, to which we drew attention in our interim report. For example, the Rules Committee and the Appropriations Committee both play a significant role in creating demands for office space by approving funds for staff. Both the Architect of the Capitol and the Sergeant at Arms have responsibility for developing plans to meet the resulting space needs. The Public Works and Appropriations Committees share responsibility for approving and funding the construction or acquisition of additional office space. Finally, the Rules Committee assigns office space. We hope that our interim observations with respect to the need for greater integration in the provision of administrative services to the Senate will result in actions to improve this situation.

There have, of course, been a variety of studies and discussions of some various aspects of the Senate's space problem. Your letter refers to action by the Appropriations Committee, a hearing by the Subcommittee on Buildings and Grounds, and consideration by the Public Works Committee on May 20th. There have also been on-going efforts of the Architect of the Capitol and the Sergeant at Arms with respect to these matters.

It seems unlikely, in my view, that the chronic space problem of the Senate will be resolved until sufficient authority and responsibility is given to a Senate official to permit him to act effectively and impartially to meet the needs of the Senate in this area. This official should be held accountable for (1) developing and publishing objective criteria for the allocation of existing space; (2) allocating space on an equitable and rational basis; (3) planning in detail for the future space needs of Senate activities (including the acquisition of additional space); and (4) taking such actions as may be required to meet the expected demand.

The considerations that it would be necessary to address to determine the space requirements and allocations of the Senate are listed in Attachment A. An effort to provide answers to the questions listed, and probably others, would appear to be necessary as the basis for reaching a judgment as to the "justification and feasibility" of purchasing the office building at 400 North Capitol. A full study of these matters would, no doubt, require the time of a number of people and consume a number of months, a task the tight schedule of the Commission does not permit it to undertake.

With best wishes,

Sincerely,

HAROLD E. HUGHES,
Chairman.

ATTACHMENT A

Considerations that should be addressed in a study to determine space requirements and allocations for the Senate:

A. Current Space Utilization

—How much space is available to the officers, Members, and staff of the Senate at present?

—What is the average square footage per person in each of the foregoing classes?

—How does the space per Senate occupant, on the average, compare with space available to Executive agencies perform-

ing similar types of work, such as the White House, Office of Management and Budget, and other units in the Executive Office of the President?

—How much Senate space is now being utilized in buildings occupying the block north of the Dirksen Building?

B. Presently Expected Increase in Available Space

—How much space will be provided in the Dirksen Building extension and when will it be available?

—What plans have been made for destruction in the office buildings in the block north of the Dirksen Building and where would the staff now housed there be relocated?

C. Criteria for the Allocation of Space to Enhance Effectiveness of Senate Operations

—How is that space allocated among the various Members, committees, and offices?

—What functions now located in the Capitol could be relocated to the office buildings or to more remote locations?

—Are there functions now being performed in the office buildings which could be re-located to more remote locations or which could more effectively be performed in the Senate wing of the Capitol?

—What plans have been made for utilizing the space to be provided in the new Dirksen extension?

D. Projections of Senate Personnel and Activities Space Requirement

—What estimates have been made regarding the possible growth in Senate employment during the period ending with the expected completion of the Dirksen Office Building?

—What estimates of employment growth over the ensuing five- and ten-year periods have been made?

—What estimates have been made of the trend toward movement of Senate personnel from Washington to the states?

E. Comparative Costs of Alternatives for Providing for Space Requirements of the Senate

—Allowing for the extra costs of special facilities which may be included in the Dirksen Building extension, what are the average costs per square foot of general office space expected to be provided in that building?

—How does the estimated purchase cost of 400 North Capitol Street compare, per square foot, with comparable space in the Dirksen Building extension or with other more remote locations?

—Allowing for the cost to the Treasury (including the cost of borrowing) of purchasing the building outright, how does purchase compare with rental rates over a ten, fifteen, twenty, or twenty-five year period?

—What is the possible or probable resale value of 400 North Capitol Street at the time when completion and occupancy of the Dirksen extension is anticipated?

JULY 29, 1976.

The HONORABLE HAROLD E. HUGHES,
Chairman, Temporary Commission on the Operation of the Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Your June 16 letter of response to Senator Randolph regarding the proposed acquisition by the Senate of 400 North Capitol was helpful in setting forth some of the broader considerations which need to be taken into account when such a specific purchase is pending. We can appreciate the constraints of time and personnel which make difficult a close study by the Culver Commission of the building at 400 North Capitol. Moreover, by the time the Public Works Committee request came to you, the sale offer had been withdrawn.

Those of us who serve on the Subcommittee on Buildings and Grounds—regardless of what position each of us took individually on the 400 North Capitol proposal—have a particular concern that better procedures and guidelines be developed for assessing and making recommendations on the acquisition or lease of space and properties. It seems to us that this is an area in which the Commission on the Operation of the Senate can make a most valuable and enduring contribution. This includes, as your letter suggests, the optimal use of existing space and the most rational possible siting of the various activities of the Senate.

We would hope, therefore, that the Commission might give this aspect of its charter the greatest possible stress, since there are looming on the horizon a number of decisions the Senate will have to make on space utilization and possible expansion. It is not our wish to prescribe the work plan of the Commission or to distort your several lines of inquiry into one channel. But we do feel that you and your colleagues are in a position to offer a candid analysis which can contribute importantly to the quality and substance of decisions on space. Perhaps you could enlist the assistance of two or three persons from GAO who could explore comparative costs of various space options and provide us with better tools for judging propositions such as 400 North Capitol and other possible construction and acquisitions. This would not place the Commission in the role of being the judge of specific proposals or of diluting its energies in the other assignments it has.

We would suggest that you designate the appropriate person on your staff to discuss this further with members of our Committee staff so that any agreed recommendation can be brought before the Culver Commission at its August meeting.

With all best wishes,
Sincerely,

JOHN C. CULVER.
ROBERT MORGAN.

SEPTEMBER 7, 1976.

The HONORABLE JOHN C. CULVER,
2327 Dirksen Office Building, Washington, D.C.

DEAR SENATOR CULVER: Thank you for your inquiry concerning the status of the Commission's work on space acquisition, development, allocation and utilization.

At the Commission's meeting on August 25, the subject of space was discussed at length, and a working group was formed to pursue the matter because of the many considerations involved. In addition, a member of the Commission staff is working on various aspects of the issue.

As you know, the Commission's final report is due December 31, 1976. Space will undoubtedly be one of the important issues treated therein.

I hope this information is helpful to you.
Sincerely,

VINCENT P. ROCK,
Staff Director.

Mr. CULVER. Mr. President, I respect the leadership and the efforts that have been exhibited by the distinguished Senator from South Carolina in the exercise of his responsibilities as chairman of the Legislative Appropriations Subcommittee in connection with an extremely difficult subject matter and jurisdiction affecting the very life of this institution. I have reviewed that record, and there is much of it for which I have unabashed admiration. He was a leader in stopping the extension of the West Front, an action in which I was in total agreement. He also was a leader in stopping the House of Representatives from taking as a fourth office building the Madison Building for the Library of Congress, and for that I also applaud him.

The distinguished Senator from Pennsylvania has said that, as we address this issue, we should not be penny wise nor pound foolish. I submit that the really important consideration in this instance is not to act in haste and repent at leisure.

Mr. President, what we are talking about is an extremely important decision. It is important in its cost implications in terms of the future needs of this institution and the entire Capitol complex.

Mr. President, by chance, I picked up today a little booklet entitled "In the Shadow of the Dome." It is a booklet for tourists about our Nation's Capitol. The first paragraph reads:

High on a hill overlooking the Potomac River sits the United States Capitol, majestically dominating its surroundings. Its grandeur acquired slowly and painstakingly, the Capitol, and indeed Washington itself, reflects the careful, considered planning of the Nation's founders.

Mr. President, all I can say is, thank God for the Nation's founders who did some planning, because we are certainly lacking in that regard now.

We are all painfully aware of the inefficiency and conflicting jurisdiction which characterize far too much of the administration of the affairs of the Congress of the United States.

There is hardly a more classic or better illustration of this chaos and confusion than in the area of space—space: how much we need, what we do with it, how efficiently it is used, how economically it is obtained and maintained.

Today, we have the Architect of the Capitol, the Subcommittee on Legislative Appropriations, the Senate Committee on Public Works, the Committee on Rules, the Sergeant at Arms, and the Secretary of the Senate involved in the administration and acquisition of space for the Senate. And, Mr. President, nothing is more important than that we obtain some rational, responsible, and accountable procedure for the administration of space use and the assessment of space requirements.

Mr. President, this is one of the responsibilities——

Mr. MATHIAS. Will the Senator yield?

Mr. CULVER. Not at this point, if I may.

This is one of the responsibilities that was given to the Temporary Commission on the Operation of the Senate when it was established last year, and it is to report to the Senate this December its recommendations for a more centralized administrative authority regarding questions of space. As a Member of the other body, Mr. President, I served on a committee called the Bolling Commission. We esablished a Commission on Information and Facilities in the House of Representatives. One of the things that Commission has already determined is the current inefficiency in matching space with function and personnel activity with proximity, on any rational basis whatsoever.

For example, in the House side of the Capitol, there are an estimated 100,000 net square feet of usable space. Most of that space is currently being utilized by activities and operations of Congress which do not need to be located that close to the floor of the House of Repre-

sentatives itself and in fact are nonlegislative functions. They have already estimated that a careful review of the current allocation of that 100,000 square feet of space could make available some 26,000 additional square feet of usable space for the Members of the House of Representatives themselves in the Capitol in close proximity to the floor. They have rooms over there now that are used to house documents from as far back as 1916—just dead storage space. We have, throughout all the buildings on Capitol Hill, a similar irrational mish-mash of space and function.

What is the folding room doing taking up precious space, when it could be located far from the physical presence of the Nation's Capitol? It is taking space away from what would otherwise be more appropriate and rational activities in terms of the need for proximity to Congress.

Now we have started to do a few things right. We have set up these commissions to study these facilities and to review the allocation of space. That brings us to the problem that we have before the Senate today.

We have, coming on line, not only the report of the Temporary Commission—incidentally, I say to the distinguished Senator from South Carolina that I have received correspondence from Commission recently on what they are doing in this regard generally. But we also have, in addition, a master plan that has been commissioned to make the most comprehensive study by a very distinguished private planning firm of the future development of Capitol Hill—questions of transportation, questions of environment impact, questions of circulation flow, the efficient and economical accumulation of additional space if needed, and where, and the relationship of that space to the District of Columbia itself. This is the kind of comprehensive, rational approach that is, in fact, consistent with the legacy of our Founding Fathers as to the future shape and direction of this place.

It is true, Mr. President, that we have some short-term space problems. Make no mistake about that: we have some short-term space problems. Most of these problems, I submit, are attributable to the irresponsible mismanagement of the utliization of existing space. We do not even have a room-by-room inventory of space available in the U.S. Senate. The last study of space that was done in the Senate was 1973. But do you know what that study did? It simply told us how much square feet we have here. Nobody has knocked on a single door to find out what is going on behind those doors and by whom and for what purpose.

We do not know what goes on in these inner sanctums. We do not know how these rooms are assigned, we do not know what people do in them. The first thing we have to do is find out what we have and what is the use of that space. And if we do that, I submit, Mr. President, we might find that we have plenty of space to do the right things. Mr. President, this is what we should be directing the Sergeant at Arms and the Architect of the Capitol to do.

I have been here 12 years. We have secretaries working in intolerable conditions. But I want to tell you, they would have plenty of room if people did the appropriate studies and allocated that space efficiently and rationally.

Our failure to do that means what? It means we are in a crunch. Now, the question is, What do we do about it?

All right, Mr. President, we have done a few things. We have authorized the extension of the Dirksen Building. The Dirksen Building extension is now under construction and is supposed to be completed in 1979. It has 670,000 net square feet of office space. To give some idea of how much space that is, Mr. President, that will give every Senator and his staff and committee 2½ times more space than they have now. Two and a half times. And it has been officially stated that the extension will take care of the space needs of the Senate through the year 2000.

Now, we have also bought at the cost of $4.5 million, with another $700,000 in renovation, several buildings on Block 724, the so-called Monocle block, as an interim solution to take care of the overcrowding while we are building the extension to the Dirksen.

Now, what has happened? Well, we have two identifiable requests for additional space. We need space for a second computer, and for additional staff of OTA.

This last weekend I was down in the ex-FBI building known as House Annex 2. I have visited those buildings on the Monocle block, and I have taken a tour of 400 North Capitol. I have also looked at the current activity of the House computer center.

Suffice it to say that I am convinced that a rational internal solution to the space demands of that second computer is to put the Senate computer operation with the House computer operation in that ex-FBI building. I have measured it and I know there is adequate space.

When you build a computer center you have to put in special air-conditioning, you have to have climate control, and it is a very expensive proposition. We have designed facilities in the Dirksen Extension tailored for these needs, and we would now duplicate these facilities again.

Second, we have OTA people who were offered the old FBI building, and they said, "No."

We are spending $9 a square foot to put some of them in the Hyatt Regency Hotel right now; we are spending $9 a square foot to put some of them in the Quality Inn Motel right now. GSA says that if you pay more than $7.27 a square foot in that part of Washington you are getting robbed.

Now, we have two requests for additional space. What is the proposed solution. The proposed solution is to buy a new building, and if you are going to buy a building, buy a great big one.

Let us look at this building we are going to buy. Make no mistake about it, it should be named the fourth Senate office building because Russell has about 314,000 square feet. Dirksen has 418,000. The proposed Dirksen extension has 670,000. And we are going over here now and looking at another building, even though the Dirksen extension is coming on line in 1979, with 550,000 square feet. Think of it. It is twice as big as the Russell Building, twice as big, and if we buy that, I will predict we are going to make the Rayburn Building look like a monument to responsible space management and planning by the U.S. Congress.

Let us look at that building. If we put every single Senator and his staff in 400 North Capitol, you would still have 100,000 square feet left over. Mr. President, that is a lot of space. That is not just a little old office building, that thing is massive. Admittedly, it is a haunted house right now, since it is empty, and admittedly it ought to be on a fire sale. We will get to that.

Let us talk about that building. That building was the brainstorm of some highly skilled and clever developers back around 1970. They got together and they said, "Hey, you know where there is a hot market for building office space? Washington. We have connections down there. We know the town, and we think if we can build a building we can make a buck."

There is nothing wrong with that, it happens every day. It makes the country go round. But these people are highly professional at building speculative office buildings. They do it every day for a living, and they have made a good living at it.

What do you do when you build a speculative office building? Well, you get an architect who will design a building to specifications that maximize selling it, minimize your construction costs, and minimize your taxes. That is what you do. You get your tax takeoffs and maximize your profit and move it.

All right. They started building in 1972. They bid for the contracts. In 1973 something came along called the energy crisis. Energy crisis, remember that word "energy" because it figures prominently in this issue. In 1973 they started building.

Before they built, they said, "We speculators are too smart to put our own money up. We go to the bank."

So they went to the American Security Bank & Trust, and they borrowed $26.5 million. They have testified that their carrying costs are over 10 percent, over 10 percent on $26.5 million, not to mention their own money they invested.

"Let us build a building that is cheap to build but profitable to rent. We will build a building for those specifications. It is a boilerplate speculative building. In doing that we are going to put in a form of heating called electrical heating."

Now, electrical heating is cheap to put in but it will bankrupt the operator, on operating costs at 550,000 square feet of usable space.

"But we won't care about that because we will pass those costs on to whoever rents it. We won't be paying those annual bills." Incidentally, it is not the heat loss in the winter that kills you, it is the air-conditioning in the summertime.

"The other thing we will do, we will put a surface skin all over this building of glass," one-quarter inch glass, which

is about $5 a square foot as opposed to $15 a square foot for hard surface material.

So what we have over there is a greenhouse—it is a big greenhouse. Interestingly enough, we in the Congress said, "You know, when this energy crisis comes along we have to start conserving energy." So what did we do? Well, we drew up some regulations for energy conservation for buildings that we go into. It is going to be a law that in these Federal buildings you can only have 35 percent of the exterior skin of the building as a glass surface."

Four hundred North Capitol. Fifty-two percent glass surface. Not only glass surface, we also provided that this glass had to be thermal pane. Thermal pane is two pieces of glass with air in between. And we said it had to be double glazed, treated, and its combined thickness would be about an inch thick.

We look in vain in 400 North Capitol for anything that suggests they heard about that law that this Congress passed.

What did they do? They built the building. They built the building and it took a few years. They finished it in 1975.

In 1975, they said, "We have got to get ourselves some clients. We are carrying an awful load every month, with guys coming in saying, 'Where is 10 percent on $30 million?' "

That is a lot of money—$300,000 a month when we figure the lawyers, accountants, security, management.

They look around for some clients and who do they go to? They go to the Government. They knew some people in Government. And they went to the GSA and said, "We hear SEC is looking for space, we have got a little project you might want to look at for space."

GSA said, "OK, we will look at anything, and we will look at it with the idea of SEC renting some of that."

When you are a highly speculative builder, you have to get a golden egg for a client that you can build around, otherwise it takes years to fill those things. You can really get a lemon on your hands if you do not fill it. You can take a bath. You can take a bath if you do not fill it. You can take a bath if you only partially fill it.

So they got rather desperate. These builders start talking to GSA about it.

The final offer to GSA by the owners of 400 North Capitol exceeded the GSA prospectus limitations approved by Congress on October 10, 1974.

Think of that. The final offer by the owners to GSA exceeded the written prospectus this Congress passed as a law limiting how much GSA could pay for rent and space.

The cost limitations were $2.8 million a year that we imposed on GSA for a 5-year lease for 380,000 square feet of usable office space, and 80,000 square feet for parking.

The interesting thing was the comparison of rental costs for space. The final offer by the owners of 400 North Capitol, not including utilities, was $7.48. Estimated cost for utilities, at GSA costs was $1.07. Total cost per square foot, was then $8.55. The total cost allowable to GSA including utilities, was $7.37.

This resulted in a difference of $1.18 per square foot, for a total difference of $448,000; this was the cost differential between them. GSA said, "This won't wash, we can't make a deal with you, it costs too much, it exceeds what Congress said we could even spend, so we can't get into this. Besides, the market for space has gone steadily downhill and we have decided this market is overbuilt for rental space, and anybody in the Government that pays more than $7.27 through 1976 is making a bad mistake."

So GSA finally agreed to rent space for a cost of $5.49 a square foot in a building located around T Street and Half, at a cost saving of approximately $274,000 below the prospectus limitations imposed on them by Congress.

So here we had our poor builders. These poor builders. They were with this building on their hands and they had lost their potential clients, their tenant—the SEC.

They were getting desperate. They had to pay these monthly bills, and they went looking around for another tenant, reasoning that if we cannot talk one of these executive branch agencies into it—because we have these guys with fine pencils down there who know something about real estate—maybe we can unload this turkey on Congress because they are busy, they are spread thin and there are a million places to get at them. We know a few people who will grease a few skids and we will run this baby by them.

So they came up and approached Congress and said, "We've got a building. Maybe you want to rent it or maybe you want to buy it."

We always have space problems, as I mentioned, and there is good reason for it. We are disorganized.

So they come up and say, "We've got a building, let's talk." And they moved around a little bit.

A year ago in December 1975, on this floor, after some debate, the Senate approved the Sergeant at Arms entering into lease negotiations up to 5 years for part or all of that building for some Senate space.

The Sergeant at Arms went down with the Architect of the Capitol and they started talking to these building speculators.

They talked a while, but they found out that these negotiations were not going to wash because the difference between what the owners now wanted to hold up the Senate for and what the Senate felt was at all reasonable, or GSA felt was reasonable, was a million more a year in rent. They had offered it to the GSA for a million dollars less a year.

After they looked at those numbers, our people came back and said, "No, we can't afford that. Even the U.S. Senate can't afford that. That would be over $9 a square foot" based upon just the maintenance and operating costs on a net foot basis.

And there was a lot of hangup over the issue of who pays the electricity bill. There is the sleeper. Who pays the electricity bill?

One of the interesting things those builders knew, they did not want to pay that utility bill.

Of course, there is the issue that if we have the Senate in 400 North Capitol they are in there virtually 24 hours a day. We have a whopper of a utility bill. We are not in there 9 to 5. We just heard how these computers have to get in there with all their spooky stuff, for 24 hours a day. The computers need at most 38,000 square feet.

That is like Howard Hughes buying a hotel so he can be on the top floor. We are going to put that computer over there in a mausoleum.

So they came back and said, "We don't have a deal, we can't rent it; can't rent it, no deal." So they all go back to the drawing boards.

A little while later, there is another knock on somebody's door in the Congress. We open the door and they say, "Hey, we couldn't rent it, we put this turkey back on the open market, we've advertised it in the Washington Post and the phone ain't ringing. We put a sign up, office space for lease. It's still up there, right in front, nobody is coming to rent it, they aren't beating down the glass doors. So let's talk then about selling this thing to the fellows up there in the Senate who don't have enough space. One of our guys has even been up there and says it was crowded. Let's sell this to you and we'll give you a good deal. You know the builders, sales speculators, are going to give the Senate a real good deal.

So they come in and they say, "Let us talk about a purchase price."

Well, in the course of these rental negotiations when we had GSA in to help us decide whether we were getting robbed on the rental rates, the GSA did an appraisal of the building. GSA said:

It is interesting and important to note when we speak of an appraisal of that building we are talking about an appraisal which is an estimate of the highest present value of the property based upon rules of thumb for office space. It is not an accurate analysis of the architectural, structural or heating, ventilating and air conditioning constraints of the building or actual construction cost. GSA did an appraisal, not a construction cost analysis. Disclosure of actual construction costs were not discussed with GSA for purposes of appraisal. An independent analysis of the architectural constraints of the building as regards its life cycle cost, estimates of energy consumption by the electrical, heating and air conditioning system and the like, would be a critically valuable tool for making this decision.

So said GSA in our discussions with them.

Nevertheless, putting all that aside, GSA did an appraisal with all those limitations and concluded, "That building is worth $28.5 million." That is the GSA appraisal.

Here is the hooker: When you appraise a building which is not yet fully completed, what is included in that actual value? For example, in that building today there are no finished ceilings. There is no finished flooring, tiled or carpeted. If you put carpet into a 550,000-square-foot building, it will cost $1 million.

Normally, when we talk about a basic building, we are referring to a building which includes a completed floor, ceiling, and lights. When you put $28.5 million on that building, you better figure out who is going to pay for a floor, ceiling, and lights. GSA assumes that $28.5 million includes those three major cost items.

In addition, GSA said, "What about tenant improvements?" That is another term of art. Tenant improvements means when these highly speculative builders build an office building, they build it in such a way that when they do get a tenant, they can say, "Here it is, clean as a whistle, basic things in place. Now we will talk about what tenant improvements you specifically want in order to put this building into exactly the kind of shape you need to do whatever it is you do, partitions, walls, outlets, so on and so on."

GSA looked at tenant improvements for the purposes of the possible occupancy by the U.S. Senate.

Having said that basic building is worth $28.5 million, GSA said this list of barebones standard level tenant improvements would cost not more than $3 million.

We have not yet decided who will pay for the tenant improvements. Normally, they are the burden of the owner who wants to rent the building. He pays those costs. In this deal, we have not determined that yet.

I went through that building yesterday with construction engineers and architects. We went through it in order to see how much it cost to build, and they determined it is only 70 percent completed. They put a price tag of $10 million on the minimal improvements yet to be built.

Let me mention a few things we found when we walked around. The Appropriations Committee claims the computer needs 38,000 square feet for two computers and support personnel. I do not understand that figure. The House computer system, which has two such computers in place right now, does not need that much space. The House also has 225 people authorized for the computer section, and we have 100 less in the Senate. The Senate computer operation heard there was a building open and decided 38,000 feet is what we need. "Build another empire."

I visited the basement, where they would put the computer. We would have to put in all of this special work—this air-conditioning and climate control—to accommodate the computer. It takes a minimum of 18 inches, but you also may need 12 inches on the floor to build a sufficient platform to put all the mechanical systems underneath to service the computer.

This would give you a ceiling height of only 7 feet 6 inches. I would hate to be the hunchback who would have to work there. That is what it would look like. No one has gone there and measured that. No one has decided what tenant improvements we would need. Nobody has estimated those costs.

Let me make another point: this building has big columns on each floor. Those columns, interestingly enough, are only 23 inches square. Under the District of Columbia Building Code, if they are under 24 inches square they can be considered usable office space.

In addition, the owners built the building in such a way that, in terms of tenant improvements, there are places where the building module that you have to design functions to fit this kind of space.

The owners gave the Senate a purchase offer. The offer was: Buy this building for $31.5 million to $35 million. We will have three independent appraisers—we will pick one, you pick one, and those two will pick another one—and we will then sell you that building. But if the appraisers say it is not worth $31.5 million—and again there is no agreement on who pays to finish it, we are still stuck with who pays for the tenant improvements, which is what will kill you—if they come in and say it is worth less than $31.5 million we will not sell it to you.

And then—it has to be the gratuity of all time—they say, "If it is more than $35.5 million, we will honor our high figure of $35.5 million."

You bet they would honor it. They would probably try to sell us the next 10 office buildings they build.

How do they arrive at that figure? Someone takes the GSA appraisal of $28.5 million, they add some $3 million for improvements, and they say $31.5 million.

But in this bill we say, not $28.5 with any understanding of who is going to finish it and at what cost; we do not know that. We have had no independent construction review and analysis of this building.

We list $35.5 in this bill. We say, "We will give you a blank check for $35.5, and you go out and buy the building."

You and I know that the high number is what those builders will get, just as it stands. No questions about that. We will be buying at $35.5 million.

What is the other important number here? The other important number in this bill is $3.5 million—for what? Operation and maintenance. Operation and maintenance in the first year alone for that building will be $3.5 million.

So we are going to give the builders a check for $35.5, and we are going to hit the taxpayer for $3,500,000 in O. & M. costs, including $500,000 for the power account, so we can start paying for electricity, just for 1 year; $3.5 million a year. If you take that $3.5 million in addition to the cost and put it into the available square footage, you would get about $9 a square foot, which is more than we refused to rent it for, and we would end up with the turkey and the overhead to boot.

Talk about being cheaper. I was amused, absolutely amused when the Senator from Pennsylvania said, "We know precisely what this costs. We know definitely, no problem of cost overruns."

Mr. President, this thing is going to be the definition of cost overrun before we get done. It is a haunted house; it is going to be a white elephant.

We hear talk here about the cost per square foot. I am interested in the cost per square foot. The cost per square foot depends on what you are buying. If you want to sell a speculative office building, the name of the game is to build it as cheap as possible per square foot. If you want to construct a building under AIA classification and standards that constitutes a genuine monumental construction that will last 100 years, of course, it costs more. The key thing is, What are you building?

I can build you a building for 2 cents a square foot. Are you going to buy it because it is cheaper? That card house will fall down.

A highly speculative office building is built for a 20- to 30-year life, and then it is supposed to be obsolete and be rebuilt. The Dirksen Building is built for a 100-year life. We can still use it 100 years from now.

The Appropriations Committee states there will be four window washers over there. They better have 4,000 window washers because all that building is is windows. And we are going to have permanent scaffolding hanging on that building 24 hours a day, because they put in the kind of cheap windows that do not have any swivels that let you wash them from the inside. You have to hang out there like monkeys to clean every one of those windows.

We are going to buy this building for $35.5 million and have nothing but headaches from it, just to accommodate that second computer and a few people from OTA who do not want to be working in the old FBI building. I say someone ought to be representing the interests of the public here.

The Senator from South Carolina talks about parking space. One reason put forth for buying the building is that we can move forward on the underground parking garage in the Monocle block. So, after having bought those temporary buildings and renovated them until the Dirksen extension is completed, we will tear them down, move all those bodies—Who wants to go over there? It is a 10-minute walk. You are going to have to put in shuttle service to get people to work over there—and then start building this garage.

Now, there is one interesting thing about this parking garage we have overlooked. The U.S. Senate has never authorized an underground parking garage in the Monocle block—block 724. The Senate has never authorized it.

We have approved $50,000 for preliminary architectural designs on a possible parking facility on block 724. That is all we have done. And guess what: Since 1972, not a penny of that $50,000 has even been spent on design. We do not even have an architectural design, much less an authorization for a parking garage. What we do have is the word of the Architect of the Capitol, and some rough sketches. He said that he had some rough sketches that cost out to about $30 million for the building.

So if we are going to bite that bullet today, we ought to be talking about an appropriation request, not for $40 million, but for $70 million, because we are going to build a parking garage that has not yet been authorized.

Let us look at the Catch-22 situation. There are 948 parking spaces at 400 North Capitol. The ratio of parking on Capitol Hill now, among Senate employees, is 2.5 to 1. In the executive branch it is 6 to 1, so it could be worse. We are building a $5 billion Metro system that lets out nearby; $5 billion, and we are talking about more parking spaces to drive to the Hill.

The Catch-22 is—and it is very ironic—the only reason we are going to buy 400 North Capitol is that it will give us more office space while we build a parking garage. The parking garage is only supposed to add 1,450 spaces. If we pick up 948 at 400 North Capitol we do not need the underground parking garage. That is your Catch-22. That is the irony of this thing.

We had a Buildings and Grounds Subcommittee hearing on this subject, and on May 20, on my motion, the committee referred the proposal to buy this building to the Temporary Commission on the Operation of the Senate. The very next day the builders withdrew the offer to sell. We were going to have that temporary commission look at the whole issue of space, and try to get a more rational justification for what we were doing.

They responded after the sale offer was withdrawn and said that:

> We can understand why you could not make an intelligent decision on this because the whole question of space is so chaotic in the Senate. That is one of the things we are going to be working on. We do not think we have the staff to attack this particular case, but we are certainly looking at these other concerns.

Well, we thought the issue was dead. The Committee on Public Works considered and rejected this proposal. Now in a highly irregular way we suddenly see this turkey appear reincarnated in the form of the legislative appropriation bill.

What do these authorizing committees exist for? What do they exist for? Why did Public Works Committee carefully study and give its judgment that this thing is not worth doing when you can turn around and run it by in the Appropriations Committee?

Now, Mr. President, if there has not been any clear justification of careful requirements for this space. The Capitol Architect says he does not have a plan for a parking underground garage, and, incidentally, that he does not have a plan after the Dirksen Extension opens in 1979 to even renovate the Russell Building—he says we are just thinking about that right now. That is a problem around here. We do not have any plans. We do not know what we are going to do. It might be nice to have this musical chair over here in the form of a 550,000-square-foot building, $40 million worth in order to push the people out of there because he does not have any plans, house them over there at unknown costs. An architect would prefer to vacate the city of Washington. I would not blame him. I would prefer this, too, if I were an architect: "Get them all out of here while I work."

But prudent construction management techniques that would save the taxpayers' money and permit orderly working around here requires a new architect. This country cannot afford that kind of architectural misjudgment and lack of planning. It is inexcusable.

Now he even says in his letters that he could use it as a space reservoir, a space pool. Some pool. There is no bottom. There is no bottom to that pool. We are not talking about benchwarming space. We are talking about a new stadium.

So. Mr. President, how can anyone come up here and say that it is prudent to buy this building with the kind of problems that I have mentioned? How anyone can say it is in the interest of this country and consistent with the proper orderly development of Capitol Hill defies the capacity of this Member to express or accept.

I withhold the remainder of my time.

Mr. HOLLINGS. Mr. President, right quickly, I did go to La Scala on last night, and I thought it was pretty good entertainment until I heard my colleague from Iowa.

There is very, very little relation to the fact. He has really got his mind afoot. I just do not know how other than to call it entertainment when you look at the way he has approached this particular problem because as I go through my notes I find myself wanting to answer this and honor that. He has:

> Highly skilled and clever developers, highly professional in the business, making an easy thing, cheap to build, but easy to rent, the Catch-22, unload this turkey, grease a few skids, run it by them, owners want to hold up the Senate, knock on some other door. Psst, psst, psst, put this turkey on someone else.

Mr. CULVER. I could not have said it better myself.

Mr. HOLLINGS. He said:

> And robbed on the rental rates. I walked through, I walked through, I walked through. Just for openers, just for openers. Someone has to look out for the public.

He has a great glamorous bunch of malarkey if I ever heard it in my life. You could go step by step, with the gentleman who tries, and is very clever to give credibility, because he walked through the building. Now all of a sudden he is going to be an expert. He could have walked through with his colleagues. You know the ad in the yellow pages, walk with your fingers in the yellow pages of the telephone book. Well, he could have walked through if he had attended the Committee on Public Works hearings of which he is a member of the subcommittee on buildings and grounds.

I could go back. This is the December hearings last year. He said:

> Somebody is going to sneak this thing through, and how do we get this turkey up again, and everything else.

Look what all he finds when he walks through. If he had walked through back during the time of this particular hearing in March 1976, and he was not there, see what he could have discovered then. This is September and here are all of these things that he discovered over the weekend, Labor Day. He is going to have his big day by walking through the building.

Well, everything he said about no survey or no nothing is just absolutely and totally false. This is at page 37 of the hearings by the Senator's committee. It is GSA's estimated cost. This is back in April. He waited until September to walk through on his Labor Day weekend and start running through the building, "And I walked through it." Well here it is listed in here. Partitioning 1 to 10 feet times 47,000 times 950 is $466,500. He could have found it if he had been there in April. Doors 1 to 20 feet partitioning, 2,350 by 150, $362,500. Electric and telephone, $183,000. Exit lights—he forgot that. That is the little hooker.

> Watch it; no exit lights. Nobody will know how to get out of the building. How are you going to get out of the building on this turkey. No exit lights. I walked through the building.

Mr. CULVER. Excuse me. Will the Senator yield?

Mr. HOLLINGS. "And I found they needed exit lights."

Mr. CULVER. I just want to make a correction. Not exit lights. It is energy conservation.

Mr. HOLLINGS. Yes. I am going to get to that. The Senator made his argument. I am going to put on my show, too.

Mr. CULVER. That is a sleeper.

Mr. HOLLINGS. We both have a good show here. Exit lights. This is the sleeper. We have not mentioned this one yet. He mentioned energy. I will get back to energy. They did not obey the law. What did they do? They put glass in 52 percent of the building that was glass where Congress found by law there will only be 38 percent. The Congress in their great wisdom on how to build a building. Do not ever get Congress to build a building.

But when did they do it? Congress found that when they finally got the President to sign it on December 20, the Christmas signature, and this building had not been touched since June of last year. That is when they completed it, in June of 1975. I will save these other things I am going to list here for him. But he has them disobeying the law of December 1975 when they had this thing up in June 1975.

He has them as law violators, speculative and everything else, because they did not go along. All of America has been glass. That happened to be my amendment. If you want to know the real cost of the light bill for the Senate office buildings it is $633,000. We have not been economizing around here, ourselves. That is what we are paying for the light bill now. So we know something about paying light bills.

Two-thirds of the two World Trade Towers in New York City, which is operated by private, free enterprise, is wasted, and they consume as much electricity as the city of Syracuse, N.Y.

I can cite the energy talk, if the Senator wishes, because it was my conservation measure. But he found the Catch-22—get rid of this turkey.

How could they obey the law in June of 1975 because the President did not sign it until December? The way the Senator paints that picture—just as loose as could be.

He said, "Nordy, get a computer." Then there was the question of where to put it. When Nordy Hoffman, the Sergeant at Arms, started to try to find a place to put the computer, the Senator says that OTA said, "If there is space available, we need some." Totally false.

Long before Mr. Hoffman became the Sergeant at Arms, and before I heard of the need for computer space or anything else, the Office of Technology Assessment, in order to find room, went there last June, not 1976—over a year ago, 14 months ago—and was negotiating at that time for a lease. We put it in when the bill was on the floor, but the House would not go along. The House leadership would not accept it. They said, "Come down to the old FBI building." Now they are trying to work out a way to stay at the FBI, and the House Office Building Commission said, "Get out of here. We don't want any of these joint committees. We're going to need it totally for House use." They certainly are not going to let any Senate computer go in there.

What gets me is the approach of this thing, because we have all these things, and we will have to list them: supervision, 4 months at $2,500 a month, $10,000; exhaust and ventilation for conference rooms, eight rooms at $2,000, $16,000; heating, ventilation and air conditioning—this is last spring—$712,500.

Light fixtures—he found they needed light fixtures and that it was a claptrap building—falling down—and did not have light fixtures. They never represented that they had light fixtures. He could have walked through with the Public Works Committee and found all that. He could have found the job overhead, the total cost to the Government, the standard level, and everything else of that kind, without walking through like he is finding or developing a Catch-22 and unloading a turkey and saying, "Whoops, what's in these walls?"

I do not know how he knows what is going on behind the doors, as he says. Sure, there is wasted space. Can you put the OTA or a Senate office in the Capitol Building? What is behind the doors? We never have knocked on the doors and asked what is going on behind them. It is pure nonsense.

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

Mr. HOLLINGS. I want to get through with this.

They do not know what is going on behind the door, but he seems to know what is going on behind the door, as though something illicit or some conspiracy is there.

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

Mr. HOLLINGS. No.

How are we going to get the conspiracy? We are going to break this thing. How could anybody bring it up here? I will state how. The way they bring up the Dirksen Building. We take care of it in Appropriations, at the request of the chairman of the Committee on Public Works. It may be a Rube Goldberg arrangement, but that is the way they go, because they would not have any money if they waited for the authorization. Nobody has put any point or rule there. It is $85 million for the Dirksen extension, named and otherwise. It is standard operating procedure.

It is the same situation for the Capitol powerplant, another $12 million in this bill, without the authorization. It is as though there is some kind of unusual way. You find out what we do after you deal in these things and work with the Public Works Committee and with all the other things.

We are not saying, "Bam, bam, this is the cost of the building." We are authorizing the Architect and the Senate Building Commission, headed by the Senator from Alabama (Mr. SPARKMAN), to negotiate with all this information at hand.

It reminds me of Plato's famous couplet:

> The politician makes his own little laws
> And sits attentive to his own applause.

He has manufactured all these secrets about something behind the doors, "Slip it by," "Grease the skids," and everything else like that.

Mr. President, the report is here. They have had the full details of everything with respect to the rugs. Wait a minute. Excuse me. We can keep on reading. This is back in April. He did not have to spend Labor Day finding there was not a rug on the floor over there.

Installation of soil resistant nylon carpeting, 28-ounce weight per square yard, estimated to cost between $8.25 and $9 per square yard. This, too, is not included in the estimate.

So the Committee on Public Works, in its own hearing—I did not refer just to my hearing. We have had two hearings on this.

The Senator is trying to find another scandal in the Senate, in the Catch-22, in the greasing of the palms, in slipping it by, in the unusual—an extraordinary way to bring it up. It will not wash. It is not true.

We have been deliberate and objective, and we still are. We have not bought any building.

We can go over the arithmetic with respect to the parking spaces. There are 595 unreserved spaces on the general lot. We have a necessity for and have issued permits for 2,758. If we get the 1,400 in the next 3 to 4 years, with a parking garage, we will still need 1,400 plus 948 that we had on the building at 400 North Capitol. It adds up to 2,143, with a 200 difference in parking spaces, and this is 4 to 5 years ahead of time, on projected needs.

Catch-22? We worked out the shuttle at RFK Stadium, to use the parking lot for the Library of Congress. If you work at the Library of Congress, you go to RFK and park at the parking lot at the stadium and catch the shuttle to the Library of Congress.

We have had a critical need for parking. But the Senator finally finds Catch-22, that we are full of space, that we all have overestimated everything, that we have not looked at the garage, that we have not done any of these things. All these were in the report.

With respect to the point of it being a good building, I do not really know why they changed. The best information we could obtain in these hearings was that it was a better than average prospective development building. Let us see how Dr. White characterized it in his testimony. This is what he said, and this is back in December of last year:

> As to the physical building itself, we had our people inspect the building. We find that it is a better than average speculative type office building. That is to say, it is built of reasonably high quality but not the finest that you would expect in a corporate headquarters building. It is a building built for rent to the general public. It is, however, a better than average building in that regard.

The building was not rejected by GSA on account of the quality of the building; not at all. On the contrary, we were told that there are some developers—we are talking about Catch-22's and sharp speculative builders who want to develop Buzzard's Point. So when the SEC was about to move in this particular area, the Buzzard's Point developers prevailed, and they canceled out any further negotiations with the owners here.

Now the SEC has brought pressure on OMB and it is in limbo. They have not made any move and they are still saying that this particular building is an excellent building, well adaptable to use for the Senate's needs.

"I touched the glass. It was hot." I hope it was hot there on Labor Day, a closed-up building, construction architects and everything else like that.

"We are going to sell you this building because we believe in good government." Ah, the gentleman, 1 minute, said, "Why don't we be more rational? Why don't we be," in words used time and again, "more appropriate, more rational, the more intense, more crucial needs, rationally handled, get out of this chaotic mess."

Well, he wrote what was really, I think, his original intent, to get the Culver Commission to take it over. He has not let up on the Culver Commission, former Senator Hughes. Here is what he wrote. I shall put the entire letter in the RECORD, but let me read what the gentlemen said.

He said this at that particular time, writing back on June 16, 1976. I ask unanimous consent that the letter in its entirety be printed in the RECORD.

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

> COMMISSION ON THE OPERATION OF THE SENATE,
> *Washington, D.C., June 16, 1976.*
>
> Hon. JENNINGS RANDOLPH,
> *Chairman, Committee on Public Works,*
> *U.S. Senate, Washington, D.C.*
>
> DEAR JENNINGS: Your letter of June 2, 1976 referring the proposed purchase of the office building at 400 North Capitol Street to the Commission on the Operation of the Senate for analysis has been received. Copies of your letter will be sent to the members of the Commission and it will be placed on the agenda for discussion at the next meeting which is expected to be in August.
>
> My own view is that the resolution establishing the Commission neither intended nor authorized it to participate in such

day to day decisions of the Senate as the acquisition of an office building. Rather the task of the Commission is to undertake "a comprehensive study of the organization and operation of the Senate" with a view to suggesting methods of modernization and improvement.

So far as the Commission has been able to determine the Senate does not have a systematic procedure for assessing its future space needs or allocating the available space among the numerous activities on the basis of objective criteria. The last survey of space utilization of which we are aware was conducted in 1973. Reliable projections that relate numbers of personnel and activities of the Senate to requirements for office space and facilities do not exist so far as we have been able to learn. Thus it is not surprising that the Committee on Public Works has found it difficult to make a judgment on the matter of the proposed purchase of an office building.

The present situation results, in part, from the scattered responsibilities for Senate Administration, to which we drew attention in our interim report. For example, the Rules Committee and the Appropriations Committee both play a significant role in creating demands for office space by approving funds for staff. Both the Architect of the Capitol and the Sergeant at Arms have responsibility for developing plans to meet the resulting space needs. The Public Works and Appropriations Committees share responsibility for approving and funding the construction or acquisition of additional office space. Finally, the Rules Committee assigns office space. We hope that our interim observations with respect to the need for greater integration in the provision of administrative services to the Senate will result in actions to improve this situation.

There have, of course, been a variety of studies and discussions of some various aspects of the Senate's space problem. Your letter refers to action by the Appropriations Committee, a hearing by the Subcommittee on Buildings and Grounds, and consideration by the Public Works Committee on May 20. There have also been on-going efforts of the Architect of the Capitol and the Sergeant at Arms with respect to these matters.

It seems unlikely, in my view, that the chronic space problem of the Senate will be resolved until sufficient authority and responsibility is given to a Senate official to permit him to act effectively and impartially to meet the needs of the Senate in this area. This official should be held accountable for (1) developing and publishing objective criteria for the allocation of existing space; (2) allocating space on an equitable and rational basis; (3) planning in detail for the future space needs of Senate activities (including the acquisition of additional space); and (4) taking such actions as may be required to meet the expected demand.

The considerations that it would be necessary to address to determine the space requirements and allocations of the Senate are listed in Attachment A. An effort to provide answers to the questions listed, and probably others, would appear to be necessary as the basis for reaching a judgment as to the "justification and feasibility" of purchasing the office building at 400 North Capitol. A full study of these matters would, no doubt, require the time of a number of people and consume a number of months, a task the tight schedule of the Commission does not permit it to undertake.

With best wishes,

Sincerely,

HAROLD E. HUGHES,
Chairman.

Mr. HOLLINGS. I am quoting the final paragraph:

A full study of these matters would, no doubt, require the time of a number of people and consume a number of months, a task the tight schedule of the commission does not permit it to undertake.

Mr. CULVER. Will the Senator yield?

Mr. HOLLINGS. Yes.

Mr. CULVER. Will the Senator be kind enough to read on?

Mr. HOLLINGS. That is the last line.

Mr. CULVER. I mean read the correspondence, if the Senator would. I also am going to put that letter in the RECORD but I think we want to reflect the situation accurately.

The owner withdrew the offer to sell the day after the Senate Committee on Public Works voted to refer it to the Commission. The issue was moot at that time, so far as the need for the so-called Culver Commission even to review the issue.

Second, the letter goes on to say, after including a series of questions and issues, that they could easily understand why the Senate Committee on Public Works felt incapable of making an informed judgment on the question of this purchase.

I have a letter dated September 7, 1976, from the staff director of the Commission, saying:

Thank you for your inquiry concerning the status of the Commission's work on space acquisition, development, allocation and utilization.

At the Commission's meeting on August 25, the subject of space was discussed at length, and a working group was formed to pursue the matter because of the many considerations involved. In addition, a member of the Commission staff is working on various aspects of the issue.

As you know, the Commission's final report is due December 31, 1976. Space will undoubtedly be one of the important issues treated therein.

Mr. HOLLINGS. Now, Mr. President, if I may have the floor back again, I am going to read that letter and see wherein it refers to the cancellation——

Mr. CULVER. It does not refer to the cancellation.

Mr. HOLLINGS. If I may complete my statement—wherein it refers to the cancellation by the owners putting it up for sale the day after it was referred to the Commission. "Inference," "Catch-22." "What is going on behind the doors?" "Let us grease the palms," and all these other expressions.

Again, another inference, that once it was referred by Public Works to the Culver Commission, then they took it off the market.

That is what the gentleman just said. He said, "Read the letter. Read the letter."

Here is a "DEAR JENNINGS" letter by Harold E. Hughes, Chairman:

Your letter of June 2, 1976 referring the proposed purchase of the office building at 400 North Capitol Street to the Commission on the Operation of the Senate for analysis has been received. Copies of your letter will be sent to the members of the Commission and it will be placed on the agenda for discussion at the next meeting which is expected to be in August.

My own view is that the resolution establishing the Commission neither intended nor authorized it to participate in such day to day decisions of the Senate as the acquisition of an office building.

I repeat: Here is what the chairman of the Culver Commission is saying to you:

Rather the task of the Commission is to undertake "a comprehensive study of the organization and operation of the Senate" with a view to suggesting methods of modernization and improvement.

So far as the Commission has been able to determine the Senate does not have a systematic procedure for assessing its future space needs or allocating the available space among the numerous activities on the basis of objective criteria. The last survey of space utilization of which we are aware was conducted in 1973. Reliable projections that relate numbers of personnel and activities of the Senate to requirements for office space and facilities do not exist so far as we have been able to learn. Thus it is not surprising that the Committee on Public Works has found it difficult to make a judgment on the matter of the proposed purchase of an office building.

Incidentally, that is how they found it was difficult for the Committee on Public Works to make that judgment.

The present situation results, in part, from the scattered responsibilities for Senate Administration, to which we drew attention in our interim report. For example, the Rules Committee and the Appropriations Committee both play a significant role in creating demands for office space by approving funds for staff. Both the Architect of the Capitol and the Sergeant at Arms have responsibility for developing plans to meet the resulting space needs. The Public Works and Appropriations Committees share responsibility for approving and funding the construction or acquisition of additional office space. Finally, the Rules Committee assigns office space. We hope that our interim observations with respect to the need for greater integration in the provision of administrative services to the Senate will result in actions to improve this situation.

Mr. President, I shall skip the next two paragraphs, just because it is 3 minutes to 2, and we want to cover a couple of things before 2 o'clock, when we have to go off the debate. I am reading the last paragraph:

The considerations that it would be necessary to address to determine the space requirements and allocations of the Senate are listed in Attachment A. An effort to provide answers to the questions listed, and probably others, would appear to be necessary as the basis for reaching a judgment as to the "justification and feasibility" of purchasing the office building at 400 North Capitol. A full study of these matters would, no doubt, require the time of a number of people and consume a number of months, a task that tight schedule of the Commission does not permit it to undertake.

With best wishes,

Sincerely,

HAROLD E. HUGHES,
Chairman.

Mr. President, the distinguished Senator from Iowa and the distinguished chairman of the subcommittee, the Senator from North Carolina (Mr. MORGAN) could have gone over to see that building any time. The Senator from Iowa made a scattered report and we can get into that particular report. He says as to that report, which is highly important in the fact that he says it was not on account of the quality of the building—there is no reason to come now, because we spent Labor Day walking through a building, to act like the Senate had not

considered these things: office space, parking space, the need, the economy, and everything else. Anybody connected with it who attended the hearings and listened to the debate and, over the years, watched these things develop—yes, what the Senator from Pennsylvania says is highly important. We get so deliberate, we get so consultive, we get so expert and we keep studying things so, that they cost more and more and more. This is the first time, Mr. President, that we have had a building that we could see—not project and then have hearing after hearing after hearing for cost overruns. There is no Catch-22. There are none of these other things, with respect to the phraseology of the Senator from Iowa, about saying on the one hand that we ought to have experts and then, when he starts talking of experts, namely, those in the business, those that he says are highly skilled, those that he says are highly professional in the business and make a good living—they ended up, first, he says, with a haunted house, then he said with a greenhouse. Then he called it some other kind of house at the very end—well, he characterizes it generally as a turkey.

He says, "Get experts, get people in the trade, get people in the business, people we know will make it."

ANTITRUST CIVIL PROCESS ACT AMENDMENTS OF 1976

The PRESIDING OFFICER (Mr. GLENN). The hour of 2 o'clock having arrived, under the previous order, the Senate will now resume consideration of H.R. 8532, which the clerk will state.

The legislative clerk read as follows:

Message from the House of Representatives announcing its action on the amendment of the Senate to the bill (H.R. 8532) to amend the Clayton Act to permit State attorneys general to bring certain antitrust actions, and for other purposes.

The PRESIDING OFFICER. The time for debate shall be limited to 1 hour to be equally divided and controlled by the Senator from South Dakota (Mr. ABOUREZK) and the Senator from Nebraska (Mr. HRUSKA).

Who yields time?

Mr. ABOUREZK. Mr. President, I yield 10 minutes to the Senator from Massachusetts (Mr. KENNEDY).

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, the time for final Senate action on the Hart-Scott antitrust bill has come at last. Perhaps only the tax reform bill has been the subject of such extensive committee and floor consideration as this legislation. The Hart-Scott bill is important. It holds immense implications for the small businesses and consumers of our country, and for our national economy in general.

We have no general governmental controls over prices, and in most fields outside the regulated industries the marketplace alone must be the regulator. But for the marketplace to give us the best products for the lowest prices, it must be free from artificial, illegal restraints. That requires strong, vigilant antitrust enforcement. It also requires involvement by not only the Federal Government, but by State governments and private parties. The Hart-Scott bill would help significantly at each level.

I believe that the compromise version of H.R. 8532, reflected in the motion offered by Senator ROBERT C. BYRD on which we will soon vote, is a good first step in the right direction. The Antitrust Division needs the added information it will learn from its expanded authority to issue CID's under title I, and the notice of a larger merger before it is consummated which title II requires will help. Most importantly, State attorneys general should have the authority provided by title III to protect the citizens of their respective States from illegal price-fixing. This bill will make possible a more vigorous and effective enforcement of the antitrust laws and, thus, the reduction of anticompetitive practices in the economy, which can significantly contribute to the reduction of prices, unemployment, and inflation.

I must note, however, my deep regret that the sponsors of this measure have had to eliminate or rewrite so many of the provisions passed by the Senate this June. Compromise was required because of the impossibility of our going to conference in an expeditious and orderly manner.

In June we were subjected to extensive debate on this bill, and in order to end the apparent impasse—an impasse which followed invocation of cloture, I should add—a number of major compromises were made in the Senate version. Then, just 2 weeks ago, it appeared that the supporters of the bill, the over 60 Senators who voted for it again and again, would have to start all over just to have our conferees appointed.

We are further assured that even after that the conference report would be the subject of lengthy debate without time limitation.

With a second favorable cloture vote last week, the Senate was still faced with some 113 amendments and motions introduced by a handful of opponents of the bill. I was glad to see that the spirit of cooperation was not totally and completely dead in this body and that a time certain was finally set for a vote on the pending motion.

Some Members of the House have indicated they are dissatisfied with the proposed compromise, Mr. President. So am I.

I believe that it is unconscionable for us to tell the people of America that the kind of patent fraud which cost them hundreds of millions of dollars in recent years at the hands of a few drug companies cannot be redressed by parens patriae actions. But that is what this measure, as it now stands, tells them.

I believe that the Justice Department should be able, through rulemaking, to require advance notice of acquisitions in selected concentrated industries or by chronic antitrust violators even where smaller firms are involved. But it cannot do so under the present bill.

It seems to me wholly unreasonable to use the Federal Rules of Civil Procedure standard for quashing subpenas. But that is precisely what the present bill before us would use. And I am strongly opposed to a blanket exception from the Freedom of Information Act for information filed under the premerger process. Yet the bill provides for that, too.

I also think that the Senate's miscellaneous title contained important and badly needed provisions. The House conferees involved in informal discussions on this bill would have none of the substantive ones, however.

So I join my colleagues in the House who think that there are parts of this bill which could be different and which should be different. And I hope we can meet across a conference table in the next Congress to discuss even stronger antitrust laws, and tighter amendments to the one we will vote on today.

But I have been through six or eight committee sessions on this bill. I have been on the floor for a dozen days in May and June, and again at the end of August and the start of this month. I have been through innumerable meetings in the leader's office, in the minority leader's office, in Senator PHILIP A. HART'S office, in the cloakroom, with Chairman RODINO, and elsewhere on this bill. And I say let us stop. Let us stop looking out for the interests of violators of the antitrust laws and let us stop playing fast and loose with the most precious principle of our American economic system—competitive free enterprise. Let us stop the procedural tangles. Let us stop the political posturing. Let us get on with the people's business and pass this bill.

On earlier occasions I have criticized the President for waffling on this legislation. But I think the administration wants this bill enacted, too. President Ford has written that his administration "has supported effective, vigorous, and responsible antitrust enforcement." He publicly supports title I. His administration—through the Justice and Treasury Departments—is on record supporting title II. And they have not been silent on title III either.

Before the House in March 1974, Assistant Attorney General Kauper testified: "We support the basic concept" of a parens patriae action. In May 1975, he testified here that "we support the basic concept embodied in the parens patriae provisions" of the bill. In September 1975, Mr. Kauper wrote us that the "administration has taken a position in support of the basic concept of permitting a State to sue on behalf of its citizens for damages sustained because of violations of the Sherman Act." In February 1976, Deputy Attorney General Tyler wrote us that the "administration adheres to its previously expressed position" on these provisions of the Senate bill.

All these positions were cleared by the responsible officials at the Department of Justice through the responsible officials in the White House. The administration, as it speaks through its executive departments on other legislation, took an official position—in this case, one of support.

But then there was a brief turnaround. It was attributed in some press accounts

to big business lobbying of the President himself. But finally the President went on record in a letter to the House minority leader proposing four changes to the parens patriae legislation. To my view, each of these changes watered down the legislation and made it less effective. But my view did not prevail. In the version we are voting on today, the President will be getting two of his four points: The bill will be limited to price-fixing violations; aggregation of damages will be restricted to parens patriae actions. On the third and fourth point—relating to awarding of attorney's fees and discretionary trebling of damages—the bill sticks with 86 years of antitrust precedent and leaves recovery in parens patriae actions on a par with recovery in all other comparable private antitrust actions—hardly a radical or irresponsible step. So we have already gone one-half of the way for the President on this last title.

Even now, Mr. President, I hear rumblings in the back of the Chamber about Presidential disapproval, about veto threats, about House rejection. Well, the President has gotten two titles he fully supports and one title he objects to only one-half of the way. The House has gotten its way on some 26 of the 41 points in disagreement between the two bodies; the Senate position prevailed on 10; 5 others have been compromised. That is 2½ to 1 on that scorecard, hardly a disappointing showing from our friends in the other body.

Enough is enough, we have compromised the bill down and down, severely narrowing or even eliminating substantial portions of the original S. 1284. What remains may not be the best possible bill, but it is a good one. It will help bring better enforcement of the antitrust laws. It will be a solid step in the right direction.

It should be evident by this time, Mr. President, that although much of the Senate debate has been taken up with discussion of Latin phrases like "parens patriae" and references to technical tools of the antitrust trade like "civil investigative demands," what we are really talking about are hundreds of millions of dollars of illegally gotten gains accruing to antitrust violators from the pocketbooks of American citizens. The objective of the Hart-Scott bill is to attack this problem on three fronts by strengthening the ability of the Department of Justice, of State attorneys general, and of the public and small businesses to enforce the Federal antitrust laws.

The stakes are unquestionably high, they are high for the businessman quoted in Business Week last year as saying that price fixing goes on "in every business * * * there's an unwritten law that you do not compete." They are high for the corporate executive quoted in Newsweek to the effect that businesses go ahead with violating the antitrust laws since the odds against getting caught are in your favor.

They are also high for the small business and the innovative and efficient larger firm that wants to win the consumer dollar by giving the public a better product at a lower price, but whose potential profits get sapped off by monopolistic behavior of less scrupulous competitors.

And the stakes are high too, for the American public who pay more for less when the antitrust laws go unenforced.

These honest businessmen and hard-working consumers are the real beneficiaries of this bill. That is why I so strongly support the Robert C. Byrd motion and urge my colleagues to join in passing it today.

The PRESIDING OFFICER (Mr. TOWER). Who yields time?

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

The PRESIDING OFFICER. The Senator from Nebraska.

Who yields time?

Mr. ABOUREZK. Mr. President, I suggest the absence of a quorum with the time to be equally charged.

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

The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HRUSKA. 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. HRUSKA. Mr. President, I yield 10 minutes to the Senator from Alabama.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. ALLEN. I thank the distinguished Senator from Nebraska for yielding to me.

Mr. President, the first vote will come at 3 o'clock. It is on the substitute which I have offered to the Byrd motion. If my substitute fails to carry, then there would be a vote on the Byrd motion.

My substitute provides the very same provisions that constituted the Senate action on July 10.

The distinguished Senator from Massachusetts (Mr. KENNEDY) says that he regrets that we cannot retain the provisions of the Senate bill.

We can retain the provisions of the Senate bill if he and others associated with him in this legislation would vote for my amendment because it does embody the exact provisions of the Senate position on June 10.

A whole lot has been said about a compromise with respect to that Senate bill. If there was a compromise, why do not those who support the enactment of this bill back the compromise, if one existed, which was in the enactment of the Senate bill.

That is the only possible compromise there could have been because that was the Senate action.

Senator HRUSKA and I support standing by the Senate provisions, the bill we passed here on June 10, that they say was the result of a compromise.

Speaking of compromise, it seems that the proponents of the legislation are quick to say there is a compromise. The distinguished Senator from Massachusetts spoke of this Byrd motion as being a compromise. A compromise as between whom, Mr. President?

The Members from the Senate that are said to have talked with some House Members, names not given, I believe, were the distinguished Senator from Massachusetts (Mr. KENNEDY), Mr. ABOUREZK, and Mr. HUGH SCOTT, all ardent supporters of this legislation.

To have a compromise, we have to have an agreement as between opposite or opposing views. So we do not have any element of compromise as regards the Senate position because all of these were in favor of having the most severe bill possible.

Now, was there a compromise with the House?

By the way, the House conferees are named here as shown on page 28 of the calendar, but Mr. RAILSBACK of the House said there was never any meeting. What he said was that the Senate presented its position. The House made a counteroffer, and the members of the rump conference, Mr. KENNEDY, Mr. ABOUREZK, and Mr. HUGH SCOTT, submitted in answer to the House position another proposal which the House Members did not agree to.

Mr. RAILSBACK and Mr. MCCLORY both say that the so-called compromise, the rump conference compromise which was offered by Mr. BYRD, is deficient in three particulars. It varies from the House proposal in three particulars. So that there is no compromise. And what Mr. ABOUREZK and Mr. KENNEDY would have us do—and I see that Mr. SCOTT is not in the Chamber, I am assuming he does not attach too much importance to this effort—is to take the fruits of this self-appointed group of three, who had no authority to reach a compromise on behalf of the Senate. True, it was a rump conference committee, they never had any meetings, apparently, with the House Members, and certainly not with the conferees.

Members of the conference committee say on the floor of the House that there was no compromise. Yet this instrument was paraded in here, put into the legislative mill without any explanation whatsoever about it, and it is going to be rammed down the throats of the Senate after a vote on my amendment. Then it is going back over to the House and say to the House Members, with a gun at the head of the House Members, "Take this or leave it."

The House Members do not want it. As Mr. RAILSBACK said, the efforts of the sponsors of this legislation are putting this legislation in grave jeopardy because the House has said that they want no part of contingency fees, that they do not want treble damages in parens patriae cases by the State attorneys general where there is a good faith violation.

On the matter of retroactivity, far different from what Mr. HART of Michigan said, that the Senate retroactivity provision was retained, it was not retained because it was changed in a very material nature in that under the Senate provision there could be no suit for actions that took place prior to the enactment of this legislation.

The Byrd motion now provides that there can be retroactive suits for actions that took place before the passage of the

bill, provided the damages occur after the enactment of the legislation.

So there are three main points where the fruits of the conference vary from the House position. I have a copy of the House proposal. This is said to be a compromise, but the House Members say there was no compromise.

So this is being rammed down the throats of the Senate by Mr. ABOUREZK and those associated with him. We are going to tell the House to take it or leave it. In doing this, we are departing from the Senate position as expressed on June 10.

I hope the Senate will stand by its position of June 10, and that it will adopt the pending amendment on which there will be a vote at 3 p.m.

Mr. SPARKMAN. Will my colleague yield?

Mr. ALLEN. I yield.

VISIT TO THE SENATE BY MEMBERS OF THE SENATE OF FRANCE

Mr. SPARKMAN. Mr. President, we are honored today by the visit of a rather large group of distinguished Members of the French Senate, the Vice President of the French Senate, the chairman of the group, and the Ambassador representing the French Republic in this country. They are standing in the back of the Chamber.

I shall ask unanimous consent that we have a 5-minute recess, giving the Members of the Senate an opportunity to speak to them and, at the same time, I ask unanimous consent that a list of the visiting Senators be printed at this point in the RECORD.

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

The Honorable Etienne Dailly (Radical Party, Seine-et-Marne) Vice President, Senate of France, President, U.S.-French Friendship Group of the French Senate.

The Honorable Ladislas Du Luart (Independent Republican, Sarthe).

The Honorable Francis Palmero (Center for Democratic Progress, Menton).

The Honorable Jean Peridier (Socialist, Hérault) Vice President, U.S.-French Friendship Group of the French Senate.

The Honorable Auguste Billiemaz (Democratic Left, Ain).

The Honorable Jacques Bordeneuve (Democratic Left, Lot-et-Garonne).

The Honorable Jean Fleury (Union of Democratics for the Republic, Hauts-de-Seine).

The Honorable Jacques Habert (Senator for the French people living outside France; not affiliated with a political group).

The Honorable Catherine Lagatu (Communist, Paris).

The Honorable Auguste Pinton (Democratic Left, Rhône).

The Honorable Michel Yver (Independent Republican, Haute-Loire).

The Honorable Andre Rabineau (Centrist Union of Democrats for Progress, Allier).

The Honorable Robert Schmitt (Union of Democrats for the Republic, Moselle).

The Honorable Maurice Verillon (Socialist, Drôme).

The Honorable Michel Yver (Independent Republican, Manche).

Mr. M. Touchard, Administrateur of the Senate.

Accompanied by:

His Excellency Jacques Kosciusko-Morizet Ambassador of France.

Mr. Gabriel de Bellescize, Counselor of the Embassy of France.

Mr. Bernard Gotlieb, Second Secretary of the Embassy of France.

Mlle. Marie de Villardi de Montlaur, Attache of the Embassy of France.

Mr. HUGH SCOTT. Will the Senator yield?

Mr. SPARKMAN. Yes.

Mr. HUGH SCOTT. Mr. President, I join in the request for the recess so that we may greet the Vice President of the Senate of France and the other Senators who have appeared here for the purpose of making important presentations to the U.S. Senate of one of the two or three known copies of an engraving of Washington's Farewell Address and a letter to George Washington from the Marquis de Lafayette of a personal and friendly nature. These items will be valued parts of the Senate's momentos of our Bicentennial Celebration. I propose that we show our appreciation to our French colleagues by our applause at this time as the recess takes place.

Mr. SPARKMAN. If the Senator will withhold that for a moment, Mr. President, I should like to call attention to the fact that there are 16 Senators visiting in the United States for our Bicentennial from September 6 through September 13. They have visited, or will visit during their stay, Yorktown, Williamsburg, Monticello, and New York City, as well as Washington. It is a great occasion for us for them to come and help celebrate our Bicentennial. I ask unanimous consent now that we stand in recess for 5 minutes.

[Standing applause.]

RECESS

There being no objection, the Senate, at 2:24 p.m., recessed until 2:29 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. TOWER).

ANTITRUST CIVIL PROCESS ACT AMENDMENTS OF 1976

The Senate continued with the consideration of the message from the House of Representatives announcing its action on the amendment of the Senate to the bill (H.R. 8532) to amend the Clayton Act to permit State attorneys general to bring certain antitrust actions, and for other purposes.

The PRESIDING OFFICER. Who yields time?

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum, without the time being taken out of either side, and I ask unanimous consent for an additional 5 minutes to each side because of the recess.

Mr. ABOUREZK. Will the Senator withhold that for a moment?

Mr. MANSFIELD. Yes.

Mr. ABOUREZK. Does the Chair want to rule on the majority leader's request to add 5 minutes?

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

UNANIMOUS-CONSENT AGREEMENT

Mr. ABOUREZK. Mr. President, if I may have the attention of the Senator from Nebraska, I am going to propound a unanimous-consent request: following the vote on the Allen amendment, provided the Allen amendment is not accepted by the Senate, I ask unanimous consent that there be a period of 4 minutes between the vote on the Allen amendment and the vote on the Byrd motion for the purposes of offering a series of technical and clarifying amendments which have been agreed to by Senator HRUSKA and myself.

Mr. HRUSKA. Will the Senator yield?

Mr. ABOUREZK. Yes.

Mr. HRUSKA. I join in that request, Mr. President. I would like to say that these amendments are those which were agreed upon by the Senator from South Dakota and myself pursuant to the unanimous-consent agreement under which we are now proceeding with reference to this matter.

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

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

The PRESIDING OFFICER. Who yields time?

Mr. HELMS. Mr. President, I suggest the absence of a quorum, and ask unanimous consent that the time for the quorum call not be charged to either side.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ABOUREZK. 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. ABOUREZK. Mr. President, I yield myself such time as I may consume.

I notice that there is a sort of "dear colleague" letter laid upon every Senator's desk from Senator ROMAN HRUSKA, dated September 8, which discusses the position of the opposition to the antitrust bill. I think some of the elements of this "dear colleague" letter deserve comment.

The first point that is made in the letter is the point about attorneys' fees. Throughout the debate on this matter, there has been effort after effort made to try to give the impression that the availability of percentage contingency fees will be a wide-open license for private attorneys to start suits for the purposes of blackmailing corporations into settling, and thereby enriching the private attorneys who bring the suits.

I have pointed out each time this has been brought up that this bill bars all percentage contingency fees. On page 35 of the Byrd motion, about halfway down the page—and I would like to read it to the Senate—the bill prohibits—

A contingency fee based on a percentage of the monetary relief awarded under this section.

Back on page 33, there is a section that says:

The amount of the plaintiffs' attorney's fee, if any, shall be determined by the court.

I do not know how much more clear we could make it. Percentage contingency fees are flatly prohibited by the express language of the bill. A judge cannot award a percentage contingency fee to a private attorney.

What a judge could do under this law is award a contingency fee on an hourly basis, based on the amount of time actually spent by the attorney.

It has been very disturbing to me to see the consistent reference, both in speeches and in letters such as this dear colleague letter, that this bill will allow astronomical percentage contingency fees.

The second point that is made by the opponents to the antitrust bill is that the Byrd motion prevents treble to single damage reduction if "good faith" is shown. The Business Round Table has urged that the bill allow a reduction in the amount of damages from treble damages down to single damages if it can be shown that a business or corporation convicted of having fixed prices acted in "good faith" when they fixed them. I ask you, how can you fix prices in good faith? I do not know of a way that it can be done, unless the Business Round Table or its members have figured out a way they can do it. Perhaps they have found a way. But I would suspect, Mr. President, that the inclusion of a "good faith" provision, is intended by its advocates to confuse the courts and to increase litigation in efforts to try to interpret that section. Where the bill is clear now, they want to confuse it and make it vague. I think that the proposal is invalid on its face.

So far as the retroactive effect of this legislation is concerned, this letter denounces the provisions in the Byrd motion. Let me clarify this point.

The effective date (section 304) in the Byrd motion is the same in all essentials as the Senate-passed bill. If a price-fixing conspiracy terminated prior to the date of enactment, no parens patriae action may be filed under section 4C. If a price-fixing conspiracy continued after the date of enactment, a parens patriae action under section 4C would lie with respect to injury sustained subsequent—but not prior—to the date of enactment. In such case, evidence of the price-fixing conspiracy that occurred prior to the date of enactment would be admissible to establish liability for the injury sustained through continuation of the conspiracy subsequent to the date of enactment.

Mr. President, I hope that we have laid these arguments to rest once and for all. It is frivolous on the part of the opposition to continue to bring them up when, for example, in plain language in the legislation itself bans percentage contingency fees.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. HRUSKA. Mr. President, I yield myself 5 minutes.

Mr. President, the issue of contingency fees is a very simple one. The House of Representatives, the other body, adopted a provision which amounts to an absolute ban against any kind of contingency contract or basis. That was modified in this body by the amendment which stated that there would be no contingency fee basis on a percentage, but it left open the possibility and the likelihood of a contingency fee contract on a basis other than percentage.

The amendment that was adopted here and which is proposed in the Byrd-moved substitute is that a State attorney general means the definition stated in section (1) of 4G—

Except that such term does not include any person employed or retained on—

And subsection (B) says retained on—

any other contingency fee basis, unless the amount of the award of a reasonable attorney's fee to a prevailing plaintiff is determined by the court under section 4C(d)(1).

Mr. President, to paraphrase that, it simply means that any contingency fee basis if approved by the court is permitted. The meaning is clear. I do not care to belabor the point because each one is going to read that and decide what it does mean.

Mr. President, I refer to the remarks by Representative RAILSBACK who deals with this in his remarks on the floor of the other body on September 2, and I read now from his statement:

First, the House rather convincingly rejected attempts to water down the absolute ban on contingency fees. The purpose of the House ban was to insure that a State would not bring a lawsuit unless it was committing its own resources to the case and to promote further the development of in-house expertise in the various States. The Senate proposal guts the House ban by permitting contingency fee arrangements wherever the court approves of the fee as a reasonable one unless the fee contract between the private attorney and the State is phrased in terms of a "percentage" of the recovery. These apparent restrictions on the use of contingency fee arrangements are minimal in view of the fact that as a general matter the court will oversee the award of attorneys fees in such cases and because there is no difficulty in drafting contingency fee contracts on some basis other than a percentage of the recovery. The effect of this Senate change which we have not agreed to is to convert a consumer's bill into a lawyer's bill. And that is directly in opposition to the House position.

That spells it out pretty well. I quoted from the RECORD because there is not any question but what contingency fees, if they are on a basis other than percentage, are allowed in this bill conditioned only upon approval by the court. And the court has to approve the fees in any event. So that issue ought to be clear.

As to the point of retroactivity, there is a difference, Mr. President, in the language in the Allen amendment and in the Byrd-moved substitute. In the Allen amendment the language is that the authorized parens patriae actions are authorized only for a cause of action accruing subsequent to enactment. That is not the language in the Byrd-moved substitute. That language is to be found as follows:

The compromise, the Byrd-moved substitute, permits suit for injury sustained after enactment. Substituting "injury sustained" for "cause of action" totally reverses and changes the nature of the eligibility and the applicability of this bill as between those causes which accrued prior to enactment and those which accrued afterwards. Under the bill as in the Byrd-moved substitute, if a cause of action arises before enactment but injury is not sustained until after the enactment, there is an applicability of this bill to such a situation.

It is not so available under the Allen amendment, and therein lies the difference. What the court will have to decide in each of these cases is as to the chronology of those two events, the accruing of a cause of action and the accruing of the injury sustained. It would not be fair to expose business to an assurance that a cause of action does not exist before the enactment and then have the act applied to that regardless.

Mr. ABOUREZK. Mr. President, will the Senator yield for a question on attorney's fees?

Mr. HRUSKA. Yes, for a brief question.

Mr. ABOUREZK. I assume that, since the Senator's concern is about this legislation benefiting private attorneys rather than the public, would the Senator from Nebraska support legislation which bans all contingency fees for personal injury cases and malpractice cases?

Mr. HRUSKA. I did not get the question.

Mr. ABOUREZK. The question is, would the Senator support legislation that would outlaw all contingency fees for personal injury and malpractice cases?

Mr. HRUSKA. The Senator well knows that we are not in a point in the consideration of this bill where amendments can be entertained, so I think the question is idle. I think it is moot.

Mr. ABOUREZK. But does the Senator support the principle of banning all contingency fees, I repeat, all contingency fees, not just in this bill itself, but all?

Mr. HRUSKA. I do not know that we are conducting a seminar here on the law of contingency fees or barratry or anything of that kind. The subject has no relevance to the discussion before us, so I think it would not be profitable to pursue it.

The Allen amendment is the bill approved by the Senate on June 10. The Byrd-moved substitute is a so-called compromise with the House, which was not approved or agreed to by the House conferees, and may well be rejected by the House and disapproved by the President.

Senator BYRD's so-called compromise departs from the June 10 Senate-approved bill, among other ways, as follows:

First. Broadens private lawyer fee opportunities—new section 4G(1)(B) would permit any contingency fee award, other than a "percentage" fee, subject only to court approval. This new provision not only goes beyond the June 10 Senate bill, but destroys the absolute ban on contingency fees voted by the House.

Second. Prevents treble to single damage reduction if "good faith" is shown—To protect against heavy sanctions for

inadvertent offenses, the House provided for discretionary single damages. This safeguard against ruinous liabilities is omitted. It was not included in the Senate bill or in the Byrd-moved substitute.

Three. Dilutes protection against retroactive liabilities—The June 10 Senate bill authorized parens patriae actions only for a "cause of action accruing subsequent" to enactment. The "compromise" permits suits for "injury sustained" after enactment, based on prior conduct even if it predates enactment.

The above changes were not accepted by House conferees. No conference occurred. House conferees McCLORY and RAILSBACK protest this "misunderstanding" by Senators, and warn that the Senate proponents' actions "will place the life of the antitrust bill in jeopardy."

A vote for the Allen amendment, which is the Senate bill approved June 10, insures the remaining differences between Senate and House can be resolved promptly.

A vote for the Byrd-moved "compromise," which is no compromise with the House, will "place the life of the antitrust bill in jeopardy" in the House.

Ironically, key remaining differences do not relate to titles I and II, providing for stronger antitrust enforcement. They concern mainly limitations on unjust enrichment by private lawyers in parens patriae suits.

By a vote of 217 to 167, the House has disapproved efforts to water down its absolute ban on contingency fee arrangements. The House compels private lawyer compensation to be on a noncontingent hourly fee or dollar basis, not out of judgments or settlement awards.

The Byrd-moved substitute would permit nonpercentage contingency and other open-ended fee arrangements, subject only to routine court approval—thus facilitating unjust enrichment by private lawyers on the fee basis disapproved by the House.

Titles I and II are now broadly acceptable to both Houses and to the President.

The fate of the entire legislation now hangs heavily on absolute or watered-down safeguards against unjust private lawyers' compensation.

The reprints of remarks of Representatives RAILSBACK and MCCLORY—both House conferees—are revealing.

Reference is made by Representative RAILSBACK to the entire bill is in serious trouble if the Senate continues on its present course. Upon inquiry as to nature of serious trouble, this Senator's attention was called to the vote in the other body on the absolute ban of contingency fee basis; 217 favored the amendment, 167 opposed it.

I ask unanimous consent that the September 2 remarks in the RECORD by Representatives RAILSBACK and MCCLORY be printed in the RECORD.

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

STATEMENT OF MR. RAILSBACK ON THE OMNIBUS ANTITRUST BILL

Mr. RAILSBACK. Mr. Speaker, in reading certain newspaper accounts of the Senate debate on H.R. 8532 and even in reading remarks made by Members of the other body in the CONGRESSIONAL RECORD, I believe that there is a great misunderstanding as to the nature of the proposal which is now being considered. There seems to be a general misimpression that some agreement has been reached between Members of this body and Members of the other body concerning the final shape of the antitrust bill. This is not correct.

There has been no compromise agreed to between the House and the Senate.

There has been no compromise agreed to between the House conferees and the managers of the bill in the Senate.

In fact, there has been no meeting between the House conferees and the managers of the bill in the Senate.

Contrary to the publicized misunderstanding, the House conferees met by themselves and collegially decided how far they could go in compromising the House and Senate positions. This compromise was put in written form and transmitted at the staff level to the other body. Thereupon without the concurrence of any member of the House conference committee, significant changes were made to the House proposal before it was introduced in the other body as the proposed Senate amendment.

Let there be no mistake. Although the Senate proposal does in large measure reflect the position proposed by the House conferees if one judges solely by the form and the words used in the proposal, the changes unilaterally made by the proponents in the other body go to the heart and soul of the legislation.

Frankly speaking, I believe that the House versions on the premerger notification title and the civil investigative demand title were superior to the versions adopted in the other body, and were generally recognized as such. The Senate versions, perhaps inadvertently, were seriously flawed. In view of these flaws, there really was no choice but to accept the House versions.

But the parens patriae title is another matter. The Senate proposal now under consideration does not at all embody the provision adopted in the House and the proposal suggested by the House conferees.

The proposal under consideration in the Senate guts the House position in two significant respects. First, the House rather convincingly rejected attempts to water down the absolute ban on contingency fees. The purpose of the House ban was to insure that a State would not bring a lawsuit unless it was committing its own resources to the case and to promote further the development of in-house expertise in the various States. The Senate proposal guts the House ban by permitting contingency fee arrangements wherever the court approves of the fee as a reasonable one unless the fee contract between the private attorney and the State is phrased in terms of a "percentage" of the recovery. These apparent restrictions on the use of contingency fee arrangements are minimal in view of the fact that as a general matter the court will oversee the award of attorneys fees in such cases and because there is no difficulty in drafting contingency fee contracts on some basis other than a percentage of the recovery. The effect of this Senate change which we have not agreed to is to convert a consumer's bill into a lawyer's bill. And that is directly in opposition to the House position.

A second significant change incorporated in the Senate proposal over the objection of the House conferees is the provision in the House bill which permitted treble damages to be reduced to single damages where the defendant could show that his violation was in good faith. The House position is that the damages awarded should be commensurate with the wrong and that it is unjust to inflict treble damages on any defendant that has relied on prior judicial or administrative precedent, reasonably believing that his actions—later found to be illegal—were exempt or immune from the antitrust laws. The House specifically adopted this reasonable approach when the bill was before it last March. The Senate proposal rejects this approach.

As far as I know, no member of the House conference committee has suggested to any Member of the other body that these two significant changes—which go to the heart and soul of this legislation—are agreeable to the House conferees or to the House itself. In my opinion, if the Senate continues on its present course, the entire antitrust package is in serious trouble. I have serious doubts that the Senate proposal can clear the House floor and the President's desk in its present form. In my opinion the refusal of the Senate managers to accept the proposal of the House conferees place the life of the antitrust bill in jeopardy.

OMNIBUS ANTITRUST BILL

(Mr. McClory asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. MCCLORY. Mr. Speaker, there seems to be some misunderstanding regarding the Senate amendment to the House version of the omnibus antitrust bill. H.R. 8532. The Senate has voted cloture and has agreed to an up-or-down vote on its amendment next Wednesday afternoon.

Now, it is widely rumored that the Senate amendment is a "compromise" that has been agreed to by the House conferees. I will not speculate why this rumor is afloat. But the truth is that the House conferees have not agreed to the Senate amendment now under consideration in that body.

The House conferees offered a compromise to the Senate managers. The Senate managers counteroffered, and the House conferees rejected the counteroffer. Nevertheless, that rejected counteroffer is now being readied for delivery to the House.

This counteroffer differs from what we proposed in several important respects, and in particular it would delete the House provision allowing treble damages to be reduced to single damages on a showing of "good faith" and it would wipe out the House's absolute ban on contingency fees.

To my knowledge, no member of the conference committee has agreed to these changes. The Senate managers know we have rejected them. It seems to me that they are playing a dangerous game in asking us to accept what we have already rejected.

Mr. HRUSKA. I reserve the remainder of my time and yield the floor.

Mr. ABOUREZK. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from South Dakota has 7 minutes remaining.

Mr. ABOUREZK. I yield 2 minutes to the Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I have some trouble in following the logic of the position which has been expressed here in the Chamber by the Senator from Nebraska and the Senator from Alabama. First of all, they go and spend hours and days in opposing the legislation, which eventually passed the Senate in June of this year, virtually opposing about every different provision in there.

Now they say that they want that legislation to be acted on favorably this afternoon, because they differ with the various provisions of it. I ask, how can we possibly follow that Alice in Wonderland rationale? They want us to support it, because they differ with it. They voted against it, but they say it is imperative

that we act on it favorably this afternoon.

It is quite clear, Mr. President, that this is a technique and a device, once again, to sidetrack the essential thrust of this piece of legislation to try to protect the American consumer and the American businessman or woman who is trying to comply with a free and open economy and not be submerged by anticompetitive actions.

I think the Senator from Michigan (Mr. PHILIP A. HART) has spelled out precisely and exactly what everyone who sponsored this legislation believes to be the case in terms of the contingency fees. The Senator from South Dakota has done likewise.

It seems to me, Mr. President, that we should recognize the very fair and absolute truth that if we are effectively going to accept the position of the Senator from Nebraska and the Senator from Alabama with regard to this provision involving contingency fees, we will eliminate what I consider to be the most essential aspect of the entire legislation, which is title III. That is what we are talking about in terms of this legislation.

The PRESIDING OFFICER. The time of the Senator has expired.

Who yields time?

Mr. ABOUREZK. Mr. President, I yield 2 minutes of my time to the Senator from Georgia (Mr. NUNN), and Senator HRUSKA wants to yield 2 minutes of his time to Senator NUNN.

Mr. HRUSKA. I will be happy to yield all 4 minutes. That arrangement is satisfactory to me.

Mr. ABOUREZK. I reserve 3 minutes for a summary of our position.

The PRESIDING OFFICER. The Senator from Georgia is recognized for 4 minutes, the time to be equally charged to both sides.

(The proceedings which occurred at this point in connection with S. 2587, a bill to authorize the establishment of the Chattahoochie River Urban Recreation Area in the State of Georgia, are printed later in today's record of Senate proceedings.)

Mr. ALLEN. Mr. President, how much time remains to the distinguished Senator from Nebraska?

The PRESIDING OFFICER. The Senator from Nebraska has 5 minutes.

Mr. HRUSKA. I yield myself 1 minute, after which I will yield to the Senator from Alabama.

Mr. President, the distinguished Senator from Massachusetts confesses to some bafflement, because of the logic of the Senator from Nebraska and the Senator from Alabama, in that at one time we were opposed to the bill that was passed on June 10 and we are now in favor of it. I have one short comment on that situation.

The degree of my bafflement at the logic of the Senator from Massachusetts and the Senator from South Dakota is equally strong, because there was a time when they favored the June 10 legislation, they voted for it, and now they want to abandon and reject it. So on that score, I am sure that we are on an even basis of equally being baffled.

I yield the remainder of my time to the Senator from Alabama.

Mr. ALLEN. I thank the distinguished Senator from Nebraska.

I, too, fail to understand the logic of the distinguished Senator from Massachusetts (Mr. KENNEDY), because he has been speaking here against the substitute which is the Senate position as of June 10. So why should he oppose that and reach out and get a so-called compromise? He claims it is a compromise. Yet, the House Members say it is not a compromise and have so stated on the floor. They point out the important differences between the House position and this so-called compromise. There has been no compromise with the House. We have the word of the House Members for that, spoken on the floor of the House.

Why the proponents of this legislation would abandon the Senate position of June 10, a position for which they struggled for days, and then take some unknown position that is at great variance with the House position, and then say to the House, "You must accept this or we will have no bill; don't send it back to us in conference; take it or leave it," I do not know.

They put the laboring oar on the House and leave it up to them and seek to ram down the throats of the House a measure that has not been cleared with anybody over there, and they have not had any meeting.

What kind of conference would it be, to take three leading advocates of the bill from the Senate to constitute themselves a rump conference, to negotiate with certain House Members, names unknown, and we never have been told who they were, and then to say that we have a compromise? There is no compromise, as shown by the House position.

We do have an opportunity, on the vote that starts at 3 o'clock, to vote for the Senate position of June 10. That is the position that was contended for; it is the position that the Senate agreed upon. I would not be for that on final passage, but I do favor that over some unknown position that in all likelihood will not be accepted by the House and will put us in the same position again.

I hope that the Senate position of June 10 will be reasserted by agreeing to the pending amendment.

Mr. ABOUREZK. How much time do I have remaining, Mr. President?

The PRESIDING OFFICER. The Senator from South Dakota has 3 minutes.

Mr. ABOUREZK. Very briefly, the Senator from Alabama and the Senator from Nebraska know exactly why we have offered this compromise. The reason is that, by virtue of their threat of delaying tactics, we were unable, we were prevented from going to conference to try to negotiate with the House and from using the leverage and bargaining power of the Senate in a conference committee to obtain a stronger version of this bill. We would have preferred the Senate version, which is now the Allen amendment, far more than we prefer the bill that we are dealing with now in the Byrd motion.

However, one thing the Allen amendment will do, if it passes, it will kill antitrust legislation for the balance of this session of Congress. There is no way that the House is going to accept the Allen amendment, no way whatsoever, because it contains a stronger bill. There is an indication that the chances are excellent that the House will accept what is now known as the Byrd motion.

As we have stated, time and again, in the RECORD and on the floor, the Byrd motion consists of approximately the position that the House conferees agreed upon in a day-long meeting that they held on the House side after we advised them of our predicament in trying to shut off another filibuster here in the Senate.

So, to wrap it up, Mr. President, a vote for the Allen amendment is a vote to kill antitrust legislation for this session. A vote for the Byrd motion is a vote to accommodate the Members of this body, some 60-plus Senators, who want an antitrust bill for this year. I urge defeat of the Allen amendment and I urge the passage of the Byrd motion.

The PRESIDING OFFICER. The Senator from Nebraska has 2 minutes remaining.

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

Mr. McCLELLAN. Mr. President, as the ranking majority member of the Subcommittee on Antitrust and Monopoly I had hoped that it would be possible for me to vote for constructive antitrust enforcement legislation. While there are sections of this legislation that are desirable, I am voting against the motion to adopt the substitute amendment, because of my strong objection to the parens patriae title.

I have no serious objections to the titles of the substitute which amend the Antitrust Civil Process Act, and which provide for premerger notification. I would vote for these titles in separate legislation.

The parens patriae title is quite another matter. The lengthy examination of this title, in my judgment, has only raised additional questions concerning its basic premise and constitutionality. The proponents have failed to demonstrate that it will confer a significant benefit on anyone other than the antitrust bar. To describe this title as "consumer legislation" serves only to indicate the need for a "Truth in Legislative Labeling Act."

As the chairman of the Patents Subcommittee, I wish to review the legislative history concerning the application of the parens patriae title to various patent activities. No special reference to patents was contained in S. 1284 as reported by the Committee on the Judiciary. By the adoption of two separate amendments on the floor, patent language was added to the parens patriae sections on authorization to sue and aggregation of damages. These amendments were aimed at patent fraud. Contrary to the representations made by the advocates of these amendments, the law governing patent fraud is at the present time in an extremely uncertain state, in contrast to per se offenses, which are regarded as the most clearly defined of antitrust violations.

Both of the patent references have

been omitted in the substitute amendment. It has been understood that this was done, because of opposition in the other body to the patent provisions. In elucidating the scope of the authority to sue under section 301, the language must be read in light of the legislative intent in deleting both patent references of the Senate bill. While the authorization to sue under the substitute is now expressed in more general language than in the bill passed by the Senate, that language with respect to patent matters must be understood as more restrictive than in the Senate bill. It would appear that the legislative intent is to generally reserve for future consideration the development of any new remedies for patent fraud.

The proponents of this legislation have been highly selective in their crusade against anticompetitive practices. They do not confront the tremendous economic and political power of organized labor. The Senator from Texas (Mr. TOWER) last week quite correctly analyzed why the Senate is not dealing with labor unions in this legislation. Shortly before the Senator's remarks, I presided at the hearing on the nomination of Donald Baker, to be Assistant Attorney General, Antitrust. I asked Mr. Baker:

Do you believe that the Federal statute exempting certain activities of labor unions from the antitrust laws should be re-examined in view of the current economic power of labor unions?

Mr. Baker responded in part:

So, the answer to your question, should Congress study it, yes, I think it is a highly desirable thing to study.

I then asked:

Are you saying that present laws are not satisfactory?

Mr. Baker responded:

I think present law needs to be re-examined.

While I welcome Mr. Baker's statements, I have been informed that of the large professional staff of the Antitrust Division of the Department of Justice, personnel have not been permanently assigned to the study of the economic power of labor unions. It may be well for the division to consider establishing a special section in this area.

Mr. President, the ultimate fate of this legislation remains to be determined. Whatever its final disposition, there will still be an urgent need for the 95th Congress to consider substantive antitrust reform in such areas as the monopolistic power of labor unions.

Mr. HRUSKA. Mr. President, I am prepared to yield back the remainder of my time if the Senator from South Dakota is.

Mr. ABOUREZK. I yield back my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment of the Senator from Alabama, No. 2232. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from California (Mr. CRANSTON), the Senator from Missouri (Mr. EAGLETON), the Senator from Indiana (Mr. HARTKE), the Senator from Wyoming (Mr. MCGEE), the Senator from Minnesota (Mr. MONDALE), the Senator from New Mexico (Mr. MONTOYA), the Senator from Utah (Mr. MOSS), and the Senator from California (Mr. TUNNEY), are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Maryland (Mr. BEALL), and the Senator from New York (Mr. BUCKLEY), are necessarily absent.

I also announce that the Senator from Arizona (Mr. GOLDWATER) is absent on official business.

The result was announced—yeas 22, nays 66, as follows:

[Rollcall Vote No. 567 Leg.]

YEAS—22

Allen	Garn	Scott, William L.
Bartlett	Hansen	Sparkman
Bellmon	Helms	Stennis
Brock	Hruska	Talmadge
Curtis	Laxalt	Tower
Domenici	Long	Young
Eastland	McClellan	
Fannin	McClure	

NAYS—66

Abourezk	Hart, Gary	Nunn
Baker	Hart, Philip A.	Packwood
Bentsen	Haskell	Pastore
Biden	Hatfield	Pearson
Brooke	Hathaway	Pell
Bumpers	Hollings	Percy
Burdick	Huddleston	Proxmire
Byrd, Harry F., Jr.	Humphrey	Randolph
Byrd, Robert C.	Inouye	Ribicoff
Cannon	Jackson	Roth
Case	Javits	Schweiker
Chiles	Johnston	Scott, Hugh
Church	Kennedy	Stafford
Clark	Leahy	Stevens
Culver	Magnuson	Stevenson
Dole	Mansfield	Stone
Durkin	Mathias	Symington
Fong	McGovern	Taft
Ford	McIntyre	Thurmond
Glenn	Metcalf	Weicker
Gravel	Morgan	Williams
Griffin	Muskie	
	Nelson	

NOT VOTING—12

Bayh	Eagleton	Mondale
Beall	Goldwater	Montoya
Buckley	Hartke	Moss
Cranston	McGee	Tunney

So Mr. ALLEN's amendment was rejected.

The PRESIDING OFFICER (Mr. HATFIELD). Under the previous order, there will be 4 minutes of debate. The Senate will then proceed to vote, without intervening motion or amendment, on the motion by the Senator from West Virginia (Mr. ROBERT C. BYRD) to concur in the House amendment with an amendment.

UP AMENDMENT NO. 427

Mr. ABOUREZK. Mr. President, if I may have the attention of the Senate. By agreement with the Senator from Nebraska, we have submitted a list of clarifying and technical amendments that have been agreed to by both sides. These are amendments to the Byrd motion.

It has been checked by Senator HRUSKA and myself and the staff and we have a unanimous-consent agreement to call them up at this time.

I ask that the clerk state the amendments.

The PRESIDING OFFICER. The amendments will be stated.

The second assistant legislative clerk read as follows:

The Senator from South Dakota (Mr. ABOUREZK), for himself and Mr. HRUSKA, proposes unprinted amendment No. 427.

Mr. ABOUREZK. Mr. President, I ask that further reading of the amendments be dispensed with.

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

The amendments are as follows:

The Table of Contents is amended in the reference to section 301 therein by striking out "on" and inserting in lieu thereof "by".

On page 3, section 102 is amended by striking out "such" and inserting "the Antitrust Civil Process".

On page 6, line 6, strike out "issues" and insert in lieu thereof "issued".

On page 10, lines 14 and 15, strike out "in the presence of the officer or antitrust investigator".

On page 27, line 8, strike out "certification" and insert in lieu thereof "statement".

On page 23, line 1, strike out "presently" and insert in lieu thereof "which at present"; and strike out "entitling" and insert in lieu thereof "entitle".

On page 26, line 12, strike out "cash tenders offers" and insert in lieu thereof "a cash tender offer".

On page 26, lines 21 and 24, insert "a" before "cash" and strike the letter "s" from the word "offers".

On page 27, line 15, insert a comma after "Commission".

On page 29, line 14, strike out "substantially comply" and insert in lieu thereof "comply substantially".

On page 32, line 12, strike out "only" and insert in lieu thereof "given solely".

On page 28, line 25, strike out "to"; and after "substantially" insert "to".

On page 34, line 10, after "secure" insert "his".

On page 38, line 11, strike out "73 and 74" and insert in lieu thereof "73, 74, 75, 76 and 77".

On page 21, line 22, strike out "(1)" after "(d)".

On page 22, line 16, after "(e)" insert "(2)".

On page 29, lines 5 and 10, after "(e)" insert "(2)".

On page 30, line 1, strike out "required in" and insert in lieu thereof "relevant to".

On page 26, strike out lines 15 and 16, and insert in lieu thereof the following: "tion or documentary material relevant to the proposed acquisition, from a person required to file notification with respect to such acquisition under subsection (a) of this section prior to the expiration of the waiting period specified in subsection (b)(1) of this section, or from".

Mr. ABOUREZK. Mr. President, these are technical and clarifying amendments, as I said, agreed to by both sides.

I ask for a voice vote on these amendments.

Mr. HRUSKA. Mr. President, I concur in the request, the proposal stated by the Senator from South Dakota. He and I have collaborated on this list of amendments.

Pursuant to the terms of the unanimous-consent agreement reached last Wednesday, the amendments, which were technical in nature and which were clarifying in nature, and clearly so, were included in this list. Those that were not of substance were not included, in reaching the decision that we did, in conferences had with other interested members.

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

The amendments were agreed to.

Mr. ABOUREZK. I yield back the remainder of my time.

ADDITIONAL STATEMENTS

Mr. PHILIP A. HART. Mr. President, several of my colleagues have asked about the intention and effect of certain differences between H.R. 8532 as originally passed by the Senate and the provisions of the Byrd motion. With respect to those titles retained by the Byrd motion, the intention and effect is the same as set forth in the Senate report accompanying the bill (S. Rep. No. 94–803). The intention and effect of the differences are as follows:

TITLE I—ANTITRUST CIVIL PROCESS ACT AMENDMENTS

1. STANDARD FOR QUASHING CID

The Antitrust Civil Process Act of 1962 provides that no civil investigative demand shall contain any requirement which would be held to be unreasonable if contained in a grand jury subpena or require the production of any material that would be privileged from disclosure if demanded by a grand jury subpena.

The Senate bill essentially carried forward this grand jury standard, and made it applicable to interrogatories and oral testimony, as well as to documentary material. The application of the grand jury standard has been regarded since 1962 as appropriate in the CID context because of the investigative character of the Department's pre-complaint inquiry. Consequently, although the language referring to the grand jury standard is slightly different from that of the 1962 Act, the meaning of that standard is not in any way intended to be changed.

The House bill also carried forward the grand jury subpena standards. However, the House bill also provides that no CID may require the disclosure of any information if such information would be protected from disclosure under the standards applicable to discovery requests under the Federal Rules of Civil Procedure, to the extent such standards are appropriate and consistent with the provisions and purposes of the Antitrust Civil Process Act.

The purpose of including the House provision is to make available to CID recipients the appropriate substantive standards limiting discovery under the Federal Rules of Civil Procedure. Those standards, which may be found in Rule 26(c), authorize a court to protect a person from oppression or undue burden. Certainly a standard prohibiting CIDs that unduly burden or oppress a recipient is a proper limitation on the Department's authority; indeed, such a limitation is already embodied in the grand jury standard. There are, however, considerable differences between post-complaint discovery and desirable investigative standards. For example, other standards in Rule 26(c) such as annoyance and embarrassment, which are appropriate concerns in the discovery context where information may readily become public, are not valid concerns under the CID statute because of the express exemption of such material from the Freedom of Information Act.

We included the House language in the Byrd motion because the qualification in that language limited the application of discovery standards in the FRCP to those that are appropriate and consistent with the purposes of the Act. This important qualification provides assurances that unreasonable constraints will not be applied to the Department's investigations. See H. Rep. 94–1343, at 9–13. We view the FRCP standard as essentially incorporating the "oppressive" and "burdensome" standards of Rule 26(c). So limited, this standard is consistent with the purposes underlying the Act and would not breed unnecessary litigation by persons seeking to thwart civil antitrust investigations.

More specifically, in deciding which grounds are in fact "appropriate and consistent" for application to CIDs, the following factors are important and should be taken into account:

(1) Investigations—unlike pre-trial discovery and litigation—are not adversary or adjudicatory;

(2) Pre-trial discovery and litigation have different purposes, a narrower scope, and more clearly-defined issues than investigations have;

(3) Parties to pre-trial discovery and litigation are clearly identified, while there are no parties in investigations—possible antitrust wrongdoers are seldom firmly identified until way late in the investigation;

(4) Parties in pre-trial discovery and litigation have certain rights with respect to notification, participation, intervention, confrontation, and cross-examination, whereas there are no such rights (even for targets) in investigations;

(5) Narrow, technical, or merely procedural objections which frustrate expenditious civil antitrust investigations are normally not "appropriate and consistent";

(6) Relevance in an investigation may be different from relevance in pre-trial discovery of litigation—once litigation is begun, the interests and scope of the matter tend to be much more specific and refined than in investigations; and

(7) Civil antitrust investigations are nonetheless investigations, and they are in most respects close to grand jury investigations than they are to pre-trial discovery or litigation.

2. ORAL TESTIMONY PROCEDURE

Several technical changes are included in proposed section 3(1) to the Antitrust Civil Process Act. The purpose of these changes is to facilitate the taking of oral testimony, while protecting the rights of the witness and ensuring expeditious development and delivery of the transcript to the antitrust investigator.

The oral examination is to be conducted by the antitrust investigator (accompanied by any assistants he may need). The witness may be accompanied, represented, and advised by his personally authorized counsel. To protect the rights of the witness, his counsel may advise him in confidence, with respect to any question asked. Such counsel may raise any proper objection, and the witness may refuse to answer any questions on the grounds of any constitutional or other legal right or privilege.

After the transcript is prepared, the witness is to be afforded a reasonable opportunity to examine a copy of the transcript of his testimony. Any changes in form or substance that the witness desires to make may be entered on the copy.

Although the antitrust investigator will already have received a copy of this transcript, the original will only become the official transcript after the witness has had the opportunity to make changes on the copy and such changes, if any, are incorporated in the original, official transcript, together with the reasons for the changes.

3. UTILIZATION OF CID DOCUMENTS AND INFORMATION

One clarifying change deals with the preamble of the language in proposed section 4(c)(3) of the Antitrust Civil Process Act. It states that except as otherwise provided in the ACPA, no material or information produced pursuant to a CID shall be available for examination. It is intended that assurance of privacy will encourage recipients of CIDs to cooperate voluntarily, by not fearing needless disclosure of confidential trade secrets or legal business practices or relationships.

The exceptions provided in the Act are those necessary to ensure effective law enforcement. The material and information so produced may be fully used by authorized officials or employees of the Department of Justice, in conducting the investigation; in obtaining from witnesses in oral testimony clarification or interpretation of documents; in introducing such material or information in any court, grand jury, or Federal administrative or regulatory agency case or proceeding; in cooperating with the Federal Trade Commission; in participating in any proceeding arising under section 5 of the ACPA; or in otherwise assuring effective law enforcement.

TITLE II—PRE-MERGER NOTIFICATION AMENDMENTS

1. NOTIFICATION PROCEDURE

Under Title II, persons subject to the pre-merger notification and waiting period must file with the Department of Justice and the Federal Trade Commission documentary material and information required by rules promulgated under subsection (d), unless the transaction is exempt from the requirements of Title II under subsection (c).

Except in the case of tender offers, for which somewhat different procedures are mandated, no person subject to the provisions of Title II may consummate an acquisition of voting securities or assets until the expiration of the waiting period established by subsection (b).

Subsection (b) provides that the waiting period commences when both persons involved in the acquisition provide the Department and the FTC with the completed notification or, if such notification is not completed, an explanation of the reasons for noncompliance.

Unless otherwise extended, the waiting period will end thirty days later. If either agency believes that it needs additional information, it may make a request at any time within the thirty-day period. The Department or the FTC may extend the waiting period for an additional twenty days, which will run from the date upon which the person supplies the information requested or an explanation of the reasons for noncompliance.

The waiting period may not be further extended except by court order pursuant to subsection (g). If the Department or the FTC believes that the information submitted pursuant to either subsection (d) or a supplemental request under subsection (e) does not substantially comply with the obligations imposed by Section 7A and the rules promulgated thereunder, it may apply for an extension of the waiting period in United States District Court. The court must extend the waiting period until there has been substantial compliance, and may order compliance or grant other appropriate equitable relief. What constitutes "substantial compliance" is to be determined by the court, and is to be measured in both qualitative and quantitative terms as well as whether the court finds that the compliance effort was reasonable and appropriate under the prevailing circumstances.

The nature of much economic and business information is such that disagreements may arise over whether there has been absolute and complete compliance with the notification requirements established under subsection (d) or with a request for additional information under subsection (e). If, for whatever reason, a person does not comply fully with either requirement, the statute requires that he submit an explanation for this noncompliance in order to trigger the running of the time periods.

The submission of this explanation is clearly not a substitute for compliance with the notification obligation. The explanation will, however, serve two salutary purposes. First, it will tend to reduce the disagreement between the agencies and the persons subject to the Act since the antitrust authorities will be informed of the reasons underlying noncompliance. Second, the explanation will be useful in any civil penalty proceeding that may be brought under subsection (g)(1).

The standard under which a request for an extension of the period under subsection (g)(2) will be measured, however, is substantial compliance. The whole purpose of Title II is to provide antitrust authorities with a meaningful opportunity to study the potential antitrust consequences of significant mergers and acquisitions prior to consummation. A person may supply documentary material and information that are quantitatively significant without substantially complying with the requirements of the Act. It is important that the Department and the FTC get the particular materials and information necessary to make the informed decision contemplated by this legislation.

Tender offers are treated somewhat differently in Title II than other forms of acquisitions. These differences were thought necessary to take account of two potential problems.

First, time is frequently of the essence in cash tender offers, and they are regulated by the Williams Act. In order to avoid any conflict with the Williams Act or to unduly alter existing practice, the waiting period for cash tender offers is fifteen days (rather than thirty) and the extension period is ten days (rather than fifteen).

Second, there was a concern that target companies in hostile tender offers might intentionally refuse to comply with the notification requirement if they thought that by doing so they could thwart the tender offer by forcing the Department and FTC to seek extension of the waiting period or compelling the acquiring person to choose between abandoning the offer or merging in contravention of subsection (a). At the same time, it was believed that target companies should be subject to the notice requirements since information only they can provide may be quite important to an assessment of the competitive consequences of the merger.

To accommodate both objectives, subsection (a) does not make consummation of an acquisition conditioned upon the filing of notice by the target company; it does, however, separately require that the target company provide notice. The initial and extension periods commence upon the submission of information by the acquiring person, and they may not be extended by a court under subsection (g)(2)(B) solely on the basis of a failure of the target company to substantially comply with the notification requirement.

At the same time, the civil penalty provisions of subsection (g)(1) are applicable to the target company, and it is intended that the target company be subject to sanctions if it fails to comply with its obligations under Title II.

2. TRANSACTIONS BETWEEN PERSONS NOT MEETING THE MINIMUM SIZE CRITERIA

The Senate bill authorized the Department of Justice and the Federal Trade Commission to require pre-merger notification from particular companies or industries or from any class or category of persons. This provision was intended to permit these agencies to learn in advance of acquisitions that had a significant economic effect because of the constant ongoing changes in our economy—arising from increasing concentration, significant special technological advances, or new or different methods of business organization and interrelation.

Deletion of this provision is not intended to affect the authority of the Federal Trade Commission to require such notification under existing provisions of the Federal Trade Commission Act either as presently required by the FTC or as may be modified to parallel the procedures of Title II of this Act.

3. AGGREGATION OF VOTING SECURITIES AND ASSETS HELD OR ACQUIRED BY AFFILIATES

Subsection (b)(3)(B) provides for the aggregation of voting securities and assets held or acquired by affiliates. The term "affiliate" is to be defined pursuant to subsection (d) by the Federal Trade Commission, with the concurrence of the Assistant Attorney General in charge of the Antitrust Division. If a person or persons acquire or hold voting securities solely for the purpose of investment and not for the purpose of exercising or obtaining control of the issuer of such securities, it is not the intention of the managers that such person or persons be deemed an affiliate of another person or persons who also hold or acquire voting securities solely for the purpose of investment, only by reason of such persons receiving investment management services or advice from the same or affiliated investment advisers or managers. Aggregation should be required for voting securities held or acquired by a person who invests for the purpose of obtaining or exercising control or of assisting others who invest for the purpose of exercising or obtaining control.

4. EXEMPT TRANSACTIONS

Section 7A(c)(2) exempts acquisitions of bonds, mortgages, deeds of trusts, or other obligations which are not voting securities and section 7A(c)(1) exempts acquisitions of goods or realty transferred in the ordinary course of business. It is the intention of the managers that these provisions exempt consumer receivables and loans or other obligations, which are not voting securities, which are traditional financing arrangements and which normally are sold to banks or other financing agencies and acquired in the normal course of business.

TITLE III—PARENS PATRIAE AMENDMENTS

1. SEPARATE CAUSE OF ACTION

The original House-passed bill purported to be entirely procedural in nature. Except for authorizing the State attorney general to sue for damages on behalf of consumers and aggregation of damages, the House bill was interpreted by some as adopting all the case law underlying section 4 of the Clayton Act.

The original Senate-passed bill created a separate cause of action in the State. In this regard, the bill was more than merely procedural because it deliberately by-passed some of the language of section 4 which some courts have interpreted so as to limit or deny consumers a meaningful right of recovery.

The Byrd motion adopts the basic Senate approach, but contains some changes in the language in order to satisfy some of the concerns of the House sponsors. The effect and intention of this provision is the same as contained in S. Rep. No. 94-803. State attorneys general are authorized to bring suits for violations of the Sherman Act, in the name of the State as parens patriae, in effect as trustees for the residents of the State. A direct cause of action is granted the States to avoid the inequities and inconsistencies of restrictive judicial interpretations of the notice and manageability provisions of Rule 23 of the FRCP, and the rights of consumers to recover damages under section 4 of the Clayton Act. The State still must prove, however, that defendants violated the antitrust laws, that consumers were injured because of such violation, and the approximate amount of the total consumer damage. The Byrd motion, just as the original Senate bill, rejects the use of such labels as "standing", "manageability", "privity", "target area", or "remoteness" by the courts to frustrate the intent of the legislation. Under the substitute bill, consumers injured in their property—i.e., such consumers who paid too much, were denied an economic opportunity, were subject to an illegal restraint that is in or affects commerce, or otherwise were denied the benefits of a free and open market—are intended to be able to recover damages through the distribution procedures resulting from the State attorneys general cause of action in the name of the State.

2. AGGREGATION OF DAMAGES

The original Senate-passed bill specifically authorized aggregation of damages in cases of price-fixing and patent fraud, while the original House-passed bill specifically authorized aggregation in cases of price-fixing agreements in willful violation of the antitrust laws. The substitute bill reflects a compromise under which aggregation is expressly authorized for cases of price-fixing. This compromise represents a narrowing of the Senate's provisions, and a slight broadening of the House's provisions.

It is the purpose of this provision to assure that potential violators be deterred from fixing prices as that practice has been determined by the courts under existing case law. See *United States* v. *Socony-Vacuum Oil Co.*, 310 U.S. 150 (1940); *United States* v. *Container Corp of America*, 393 U.S. 355 (1969). As was pointed out in the Senate Report 94-803, the use of aggregate damages is critical to protection of the public welfare, because of the impracticability and impossibility of bringing before a court a great number of consumers to prove, individually and separately, the fact of his or her injury and the amount of his or her damage.

At the present time there is a division of opinion as to whether the courts have the inherent power to use aggregation as a technique for measuring damages in other types of cases. The substitute bill does not address or resolve that issue, which is one for the courts themselves to decide. If, in the future, the courts conclude that they have the inherent power to use the aggregation technique, then that technique would of course also be available for all parens patriae damage suits. In this regard, proposed section 4D should be read as an authorization, not as a limitation.

3. NOTICE

Section 4C(b)(1)'s notice provisions are essentially the same as the original Senate provision, and it is to be interpreted as set forth in the Senate report. The reference to the phrase "due process of law" is of a clarifying nature to make clear that that provision is not intended as a directive to the judicial branch to direct a notice that would violate due process of law.

4. EQUITABLE RELIEF

The original Senate-passed bill provided that a State attorney general could obtain monetary and other relief to remedy any damage to natural persons by reason of a per se violation of the antitrust laws or patent fraud.

The original House-passed bill provided for only damages, i.e., monetary relief. The House supported the concept of State attorneys general being able to get injunctions to halt antitrust violations which were injuring their consumers, but the House felt that the Supreme Court's decision in *Georgia* v. *Pennsylvania R.R.*, 324 U.S. 439 (1945) clearly authorized parens patriae suits for injunctive relief under section 16 of the Clayton Act.

The Byrd motion drops any mention of relief other than monetary relief because of the Senate concurrence with the House with respect to the right of the States to obtain appropriate relief under section 16 pursuant to the *Georgia* decision. It is intended that the States be able to continue using section

16 to obtain appropriate injunctive relief. Nothing in the Byrd motion is intended to deny the States the right to seek and obtain such relief.

5. CONTINGENCY FEES

Section 4G(1)(A) prohibits the use of percentage contingency fees in parens patriae cases filed under Section 4C. This prohibition is to be imposed by the court in awarding attorney's fees under subsection 4C(d)(1) and in approving dismissals and compromises under subsection 4C(c).

Section 4G(1)(B) makes explicit the prohibition of other contingency fees unless such fees are determined by the court after a litigated judgment under subsection 4C(d)(1) or, if a case is settled, by the court under subsection 4C(d)(1) and 4C(c).

The standards to be used by the court in determining a reasonable attorney's fee are as set forth in the Senate Report No. 94-803. These provisions are included to assure both the reasonableness of the fees and that the bulk of the State recovery would be distributed to consumers—not lawyers.

6. PROPERLY ALLOCABLE

Section 4C(a)(1) provides, in its last sentence, that a court should exclude from the amount of monetary relief awarded, any amount (A) which has already been awarded for the same injury, or (B) which is properly allocable, as of the time the court is to make its determination of the case filed under section 4C, to natural persons who have excluded their claims pursuant to section 4C(b)(2), and to any business entity. The plaintiff will have to establish the amount of damage properly allocable to consumers. Depending on the nature of the business, and the economic activities involved, however, the burden of going forward may shift back and forth depending on who most readily, and with the best reliability, can establish the competing claims within a chain of distribution. The Senate intention with respect to burden of proof, as set forth in report no. 94-803, is carried forward in this provision.

7. EFFECTIVE DATE

The effective date (section 304) in the Byrd motion is the same in all essentials as the Senate passed bill. If a price fixing conspiracy terminated prior to the date of enactment, no parens patriae action may be filed under section 4C. If a price fixing conspiracy continued after the date of enactment, a parens patriae action under Section 4C would lie with respect to injury sustained subsequent—but not prior—to the date of enactment. In such case, evidence of the price fixing conspiracy that occurred prior to the date of enactment would be admissible to establish liability for the injury sustained through continuation of the conspiracy subsequent to the date of enactment.

Mr. President, I have received questions as to what effect the parens patriae provisions of this legislation might have on labor's antitrust exemption and labor relations in general.

The questioners point out that Congress—through the National Labor Relations Act, as amended by the Taft-Hartley and Landrum-Griffin Acts—has regulated the heart of labor-management relations: organizing, collective bargaining, and the use of economic weapons. Congress has provided that the National Relations Board—NLRB—shall have exclusive primary jurisdiction over cases arising under the National Labor Relations Act—NLRA. Normally, State attorneys general are empowered to involve themselves in labor disputes through section 14(b), which explicitly permits the States to enforce their so-called "right-to-work" laws, and through the implicit exception to Congress' broad preemption policy recognized in *San Diego Unions* v. *Garmon*, 359 U.S. 236, 247, which permits State action against violent conduct and imminent threats to public order. Indeed, the Supreme Court just last year held the Federal labor law preempts State antitrust laws. *Connell Co.* v. *Plumbers & Steamfitters*, 421 U.S. 616, 635-637.

In my judgment, we have been right to centralize enforcement of the national labor policy in Federal officials. This bill—H.R. 8532—is not intended to change that. It is intended to provide a meaningful remedy to consumers, who have been injured by antitrust violations, especially price fixing and whose claims are so small and widespread that an individual suit is for all practical purposes impossible.

The parens patriae amendments of this bill will not substantively affect labor's traditional antitrust exemption. The bill empowers a State attorney general to bring an antitrust action for damages to consumers caused by a Sherman Act violation. In no way does it enlarge the State attorney general's right to sue for injunctive relief for an antitrust violation.

So labor's antitrust exemption will stay unchanged.

Since the passage of the Sherman Act prohibiting contracts, combinations, or conspiracies in "restraint of trade," the Supreme Court has sought to accommodate the policies of Congress in the area of labor and antitrust when they occasionally conflict. Those policies are: Preserving a competitive free enterprise market system and fostering labor's right to gain better wages, hours, and working conditions. The result is that, generally speaking, the activities of a labor union are exempt if they are intimately related to improving wages, hours or working conditions. For a more precise definition, three statutes—the Sherman Act, Clayton Act, and Norris-LaGuardia Act—and the leading Supreme Court cases must be examined. The resulting law is complex. A review of that law and of the intent of the present legislation is, therefore, needed to assure that the parens patriae amendment is properly applied in this sensitive area.

Three Supreme Court decisions offer guidelines on the outer boundaries of the labor exemption to the antitrust laws.

First, in *Allen Bradley Co.* v. *Union*, 325 U.S. 797, 808, 809, the Court held that "union participation with a combination of businessmen" in order to "aid the nonlabor groups to create business monopolies and to control the marketing of goods and services" was subject to an antitrust suit for damages. Thus, in the Allen Bradley case the Court held that a damage suit would be permitted against a union that joins an anticompetitive employer combination or conspiracy.

Second, in *Mine Workers* v. *Pennington*, 381 U.S. 657, 666, the Court held that "a union forfeits its exemption from the antitrust laws when it is clearly shown that it has agreed with one set of employers to impose a certain wage scale on other bargaining units." While some lawyers question certain features of the Pennington analysis, it appears sound as a corollary to the Allen Bradley rule.

Under both rules, it has been argued that there is a possibility that a case might be brought on the theory that a union has done nothing more than engage in collective bargaining with a group of employers, or with a number of separate employers one after the other, reach a collective agreement embodying certain terms and conditions of employment, and then sought to impose those terms and conditions—or deviated from those terms and conditions—with the result that certain of the employers with whom it dealt realized a competitive advantage. That theory could, of course, destroy the right of employees in a particular industry, or labor market, to join together in a single union or to engage in multiemployer bargaining, both of which are specifically sanctioned. However, to avoid that interpretation the Pennington Court required a "clear show[ing] of an anticompetitive agreement," and emphasized "that a union may make wage scales with a multiemployer bargaining unit and may in pursuance of its own union interests seek to obtain the same terms for other employers"—381 U.S. at 665. Thus, the Court has said it must be proven that an agreement was reached for the specific purpose of imposing a competitive disadvantage on another group of employers. A showing of the fact of collective bargaining, of a collective agreement proper in itself, and of either a uniform or nonuniform policy in dealing with other employers is, therefore, no evidence at all of such a combination. So long as this is understood, Allen Bradley and Pennington represent an acceptable compromise between the competing antitrust and labor law policies.

In a third decision, *Connell Co.* v. *Plumbers & Steamfitters*, 421 U.S. 616, the Supreme Court held that a union-employer agreement "which is outside the context of a collective bargaining relationship and not restricted to a particular job site, but which nonetheless obligates—a company in the construction industry—to subcontract work only to firms that have a contract with—a union—may be the basis of a Federal antitrust suit * * *" (421 U.S. at 635). This holding in specific terms applies only to a narrow atypical situation described in the Court decision.

The generalized commands of the antitrust laws should not be utilized in my view to declare unlawful provisions in collective agreements, which the Congress, in the course of amending the NLRA so as to reach the proper balance between the economic weapons available to management and labor, has specifically determined should be lawful. See *Suburban Tile Center* v. *Rockford Building Trades Council*, 354 F. 2d 1, 3 (C.A. 7) cert. denied, 384 U.S. 960 and the Connell opinion does not purport to create such an anomaly.

Similarly, the proper deference to which the Federal labor law is entitled, should not permit, in my opinion, the antitrust laws to be employed as an alternative means for pressing unfair labor

practice complaints. The labor laws are not simply a series of discrete substantive provisions. They form an "integral scheme of regulation" one "ingredient of" which is a carefully delineated scheme of procedures and remedies. See *San Diego Unions* v. *Garmon*, supra, 359 U.S. at 247, and id. at 242–243.

Clearly, the balance between the antitrust laws and the Federal labor laws is a delicate one and one that is likely to be subject to future decisions and interpretations. To that point, the antitrust amendments now before the Senate are based on the specific understanding that antitrust suits are subject to the following rule: When an agreement reached in a collective bargaining context contains a term whose legality is governed by a provision of the NLRA, as amended, the procedures and remedies stated in that act are exclusive. And, certainly it is not our intent to add confusion to the Connell holding or any other Court decision.

Just as there are basic sources for determining when the labor exemption has been lost, there are three major Supreme Court decisions stating when that exemption is retained.

One of these, *United States* v. *Hutcheson*, 312 U.S. 219, can be dealt with in summary terms. For, the basic rule of that case—"so long as a union acts in its self-interest and does not combine with non-labor groups, the licit and the illicit under section 20 are not to be distinguished by any judgment regarding the wisdom or unwisdom, the rightness or wrongness, the selfishness or unselfishness of the end of which the particular union activities are the means" (312 U.S. at 232)—has never been questioned. Indeed, the Connell opinion states that Hutcheson "exempts specific union activities, including secondary picketing and boycotts, from the operation of the antitrust laws" (421 U.S. at 622).

Thus, it is necessary only to note that in Allen Bradley the Court properly settled the point that this exemption is not lost where an employer acquiesces in the union's demand. Such a "victory of the union in its disputes . . . is the natural consequence of labor union activities exempted by the Clayton Act from the coverage of the Sherman Act" (325 U.S. at 809).

When, for example, an employer, in response to a consumer boycott, states that he will not sell the struck goods so long as the union does not picket (cf. *Labor Board* v. *Servette*, 377 U.S. 46; *Labor Board* v. *Fruit Packers*, 377 U.S. 58), that does not constitute the formation of a combination or conspiracy between a labor and nonlabor group, or the making of an agreement between such groups. The employer's action in that situation is nothing more than a permissible response to the lawful union conduct, rather than an employer-initiated anticompetitive action against another company.

It is plain also that there is no union-nonlabor group "agreement," for the purchaser retains his option to buy the boycotted product in the future, subject of course to the union's right to exercise against him any economic pressure not forbidden by the labor laws. As a matter of labor law, it is lawful for the purchaser to take into account the union's request not to buy and the union's economic weapons, actually used or potential, in making his business judgments. And, it is the labor laws, not the antitrust laws, which regulate the permissible range of union pressure. But for this rule the labor exemption for unions "acting alone" would be so narrow as to be illusory, and the economic weapons permitted unions in the intricate compromse established in the provisions limiting strikes and picketing contained in sections 8(b)(4) and 8(e) of the NLRA, and which the Court has spelled out in such decisions as Servette and Fruit Packers, would be taken back by the antitrust laws.

If the product market and the labor market were clearly divisible watertight compartments, it would be far simpler to reach a straightforward accommodation of the antitrust laws and the Federal labor laws. But, as illustrated by the facts in *Meat Cutters* v. *Jewel Tea*, 381 U.S. 676, there is no such neat division. It is inevitable that union activities, in general and union collective agreements, in particular, will have an effect on commercial competition. In Jewel Tea, for example, the union's desire to meet two demands of its members—that they perform all butchers' work and they not be required to work at night—could only be achieved through a limitation in the employers' marketing hours. The proper approach to the resolution of the status of collective agreements that deal directly with labor market problems in a manner that has also an impact on the product market was stated by Chief Justice Stone in *Apex Hosiery Co.* v. *Leader*, 310 U.S. 469, and followed in Mr. Justice White's opinion in Jewel Tea.

In the Apex Hosiery case, Chief Justice Stone stated the central principle for harmonizing the two disparate regulatory systems Congress has established:

> [S]uccessful union activity, as for example consummation of a wage agreement with employers, may have some influence on price competition by eliminating that part of such competition which is based on differences in labor standards. Since, in order to render a labor combination effective it must eliminate the competition from non-union made goods, see American Steel Foundries v. Tri-City Central Trades Council, 257 U.S. 184, 209, an elimination of price competition based on differences in labor standards is the objective of any national labor organization. But this effect on competition has not been considered to be the kind of curtailment of price competition prohibited by the Sherman Act. See Levering & G. Co. v. Morrin (289 U.S. 103), supra; cf. American Steel Foundries Case, supra, 247 U.S. 209; National Ass'n of Window Glass Manufacturers v. United States, 263 U.S. 403.

And while the Supreme Court was sharply split on other issues in the Pennington and Jewel Tea cases, the binding force of Apex Hosiery was explicitly reaffirmed without dissent. (See 381 U.S. at 663–664 (Opinion of the Court in Pennington); id. at 710–711 (Separate Opinion of Mr. Justice Goldberg in Pennington and Jewel Tea).) In his Jewel Tea opinion, Mr. Justice White went to the central lesson of Apex Hosiery in answering the question affirmatively:

> [W]hether the marketing-hours restriction [at issue there] like wages, and unlike prices, is so intimately related to wages, hours and working conditions that the union's successful attempt to obtain that provision through bona fide, arm's length bargaining in pursuit of their own labor union policies, and not at the behest of or in combination with non-labor groups, falls within the protection of the national labor policy and is therefore exempt from the Sherman Act. (381 U.S. at 689–690; Footnote omitted.)

As Justice White explained:

> [A]lthough the effect on competition is apparent and real, perhaps more so than in the case of the wage agreement, the concern of union members is immediate and direct. Weighing the respective interests involved, we think that national labor policy expressed in the National Labor Relations Act places beyond the reach of the Sherman Act union-employer agreements on when, as well as how long, employees must work. (Id. at 691.)

In other words, so long as the union, as a matter of its own policy, seeks and secures a collective bargaining agreement that provides "immediate and direct" labor benefits, the labor exemption to the antitrust laws applies, even though the consequential "effect on commercial competition is apparent and real."

Where the agreement constitutes a "direct frontal attack" (*Teamsters Union* v. *Oliver*, 358 U.S. 283, 294) on the "elimination of differences in labor standards" (*Apex Hosiery* v. *Leader*, supra, 310 U.S. at 503–504), whose effect on commercial competition is solely the consequence of eliminating those differences, the agreement is within the labor exemption to the antitrust laws. Thus, for example, the Court held in *Musicians Federation* v. *Carroll*, 391 U.S. 99, 106, that a union-imposed scale of prices—the "price list requirement"—is "brought within the labor exemption under a finding that the requirement is necessary to assure that scale wages will be paid to employee musicians." (391 U.S. at 112.) Therefore, it must be determined whether a particular agreement deals directly with labor market problems and thus falls within the exemption. The exemption, however, does not apply when the agreement is focused on the "product market" and where the only union benefit is the "hope for better wages to come" as a consequence of the employers' monopoly profits.

Mr. PERCY. Mr. President, the Senate is today once again considering H.R. 8532, the Antitrust Improvements Act of 1976, and amendments to this bill. Specifically, the Senate will vote on a compromise substitute amendment introduced by the distinguished assistant majority leader which has been approved by Chairman PETER RODINO of the House Judiciary Committee as well as a number of the House conferees. It is my understanding that this substitute amendment should receive the approval of an overwhelming majority of the House.

The legislation to be considered by the Senate today contains three titles, all of which, as presently drafted, should contribute to more vigorous and effective enforcement of the Federal antitrust laws. I have supported the amendments to the Antitrust Civil Process Act, which were originally requested by the Ford administration, now that they have been amended in the Senate bill and further

altered by the House of Representatives. The House bill contained certain procedural safeguards not found in the Senate bill for those made subject to civil investigative demands or required to answer questions on oral examinations. The Byrd substitute amendment contains the House-passed provisions on these points and I am convinced that they improved the legislation by ensuring greater procedural fairness to those businesses covered by this title of the bill.

On the question of premerger notification, I have always strongly opposed legislation which would require businesses to report to the Government their plans for mergers or other types of reorganizations simply because these companies were above a certain size. If this requirement were coupled with empowering the Department of Justice to automatically enjoin all mergers above a certain size, then a number of mergers and other types of business reorganizations, which are clearly in the public interest, would be prevented or discouraged. In some cases years of hard work in planning a merger will have been for naught. Ineffectual or incompetent management of some companies may be kept in power at the expense of public shareholders, consumers and the Government. And to compensate for these likely effects of such a law, no clear public benefit would be forthcoming. I have, therefore, supported many of the amendments designed to alter the premerger notification title of this antitrust bill and am pleased that the automatic stay provision has been eliminated.

The Byrd substitute amendment contains a compromise between the House- and Senate-passed bills on the issue of the parens patriae antitrust authority. The scope of the parens patriae authority has been somewhat enlarged from the Senate version of per se violations and fraud on the U.S. Patent Office to the House version, which covers the entire Sherman Antitrust Act. However, the provisions permitting aggregation of damages have been narrowed somewhat so that under the Byrd amendment a State attorney general would be allowed to utilize the aggregation of damages method of computing damages for price-fixing only.

As I have stated before during the debate on the parens patriae title, I consider willful price fixing to be the most serious of all antitrust offenses. In fact it is subversive of the very free enterprise system we all want to protect. It is my understanding that the administration has indicated a willingness to support the parens patriae antitrust authority so long as it applies only to a narrow range of antitrust offenses. In my view the compromise amendment now before us does exactly that. It has received support in the business community from those recognizing the need for some changes in the antitrust laws to help eliminate artificial market restraints. It has also been vigorously endorsed by the Department of Justice over the past 2 years.

A final point which has caused a considerable amount of controversy during the antitrust legislation debate has been the treatment of the payment of percentage contingency fees by State attorneys general to outside counsel handling specific antitrust litigation. The House legislation prohibits all contingency fee arrangements, no matter what their form. The Senate-adopted legislation, as well as the Byrd substitute amendment, forbids all percentage contingency fee arrangements but permits fee schedules for outside attorneys to be based on the quality of the work done and the relative success of the outside attorneys in the litigation. In all cases, the court would retain supervision over the fee ultimately granted.

I fully recognize the danger of lawyers hired by State attorneys general, on a contingency fee basis, attempting to bring spurious lawsuits simply to win settlements for the State and large fees for themselves. By permitting State attorneys general to bring parens patriae antitrust suits subject to the restrictions imposed by the Senate-passed contingency fee provision, it seems to me that the Senate legislation has struck the proper balance between encouraging State officials to enforce the Federal antitrust statutes and at the same time discouraging suits from being brought mainly for the lawyers' fees they may generate.

Mr. President, I am not entirely satisfied with all of the provisions of the substitute amendment we are to vote on today. But I do feel that given the stresses and strains of the legislative process this compromise amendment represents a reasonable solution to the legislative dilemma we have faced over the past few months. Undoubtedly, there are those who will be disappointed by the Byrd substitute amendment as being either antibusiness or not sufficiently vigorous in attacking alleged antitrust abuses. I am convinced, however, that this legislation, as presently drafted, is responsible, will be carried by the Senate by an overwhelming margin, that it is in the long-term interest of the business community and the American people, and that President Ford, in recognizing these facts, will sign it into law.

Mr. PASTORE. Vote.

The PRESIDING OFFICER. Is all time yielded back? Do Senators yield back their time?

Mr. HRUSKA. I yield back the remainder of my time.

Mr. ABOUREZK. I yield back my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the motion of the Senator from West Virginia (Mr. ROBERT C. BYRD). 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 Indiana (Mr. BAYH), the Senator from California (Mr. CRANSTON), the Senator from Missouri (Mr. EAGLETON), the Senator from Indiana (Mr. HARTKE), the Senator from Wyoming (Mr. MCGEE), the Senator from New Hampshire (Mr. MCINTYRE), the Senator from Minnesota (Mr. MONDALE), the Senator from New Mexico (Mr. MONTOYA), the Senator from Utah (Mr. Moss), and the Senator from California (Mr. TUNNEY) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Maryland (Mr. BEALL) and the Senator from New York (Mr. BUCKLEY) are necessarily absent.

I also announce that the Senator from Arizona (Mr. GOLDWATER) is absent on official business.

The result was announced—yeas 69, nays 18, as follows:

[Rollcall Vote No. 568 Leg.]

YEAS—69

Abourezk	Hart, Gary	Packwood
Baker	Hart, Philip A.	Pastore
Bentsen	Haskell	Pearson
Biden	Hatfield	Pell
Brooke	Hathaway	Percy
Bumpers	Hollings	Proxmire
Burdick	Huddleston	Randolph
Byrd, Harry F., Jr.	Humphrey	Ribicoff
	Inouye	Roth
Byrd, Robert C.	Jackson	Schweiker
Cannon	Javits	Scott, Hugh
Case	Johnston	Sparkman
Chiles	Kennedy	Stafford
Church	Leahy	Stevens
Clark	Long	Stevenson
Culver	Magnuson	Stone
Dole	Mansfield	Symington
Domenici	Mathias	Taft
Durkin	McGovern	Talmadge
Fong	Metcalf	Weicker
Ford	Morgan	Williams
Glenn	Muskie	Young
Gravel	Nelson	
Griffin	Nunn	

NAYS—18

Allen	Garn	Scott, William L.
Bartlett	Hansen	Stennis
Bellmon	Helms	Thurmond
Brock	Hruska	Tower
Curtis	Laxalt	
Eastland	McClellan	
Fannin	McClure	

NOT VOTING—13

Bayh	Goldwater	Montoya
Beall	Hartke	Moss
Buckley	McGee	Tunney
Cranston	McIntyre	
Eagleton	Mondale	

So the motion was agreed to.

Mr. ABOUREZK. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. PASTORE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HUGH SCOTT. Mr. President, I observed several months ago when we passed the Senate version of the Hart-Scott Antitrust Improvements Act of 1976 that we had, mercifully, reached our journey's end. That observation proved premature. We had many miles to go before we slept.

I believe that I can now conclude that we have finally and in fact reached our journey's end. The extended debate has underscored the importance of antitrust reform. If the free market economy, which has served us so well, is to prosper, and if the energy and creativity of that marketplace are to operate free of stultifying regulation, then we must improve competition. Our bill will do just that. By enhancing the likelihood of detection, we will discourage illegal anticompetitive behavior.

The bill we passed today is surely the product of compromise. It is a bill that I believe President Ford can sign. We have moderated some of the bill's provisions, while preserving the innovative heart of the bill. It will stand as a

living and fitting monument to the wisdom, foresight and legislative skill of my beloved colleague and cosponsor, the distinguished Senator from Michigan (Mr. PHILIP A. HART). We have fought many battles over the years, particularly in the civil rights arena, and all have been marked by the loftiness of vision and spirit that are so characteristic of this fine gentleman. I think it fitting that his legislative career be capped by this legislative milestone. It has been my distinct pleasure to have contributed to the success of this last legislative crusade.

(The following occurred during the foregoing proceedings and are printed at this point in the RECORD by unanimous consent.)

CHATTAHOOCHEE RIVER URBAN RECREATION AREA

Mr. NUNN. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of S. 2587.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 2587) to authorize the establishment of the Chattahoochee River Urban Recreation Area in the State of Georgia, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Interior and Insular Affairs with an amendment to strike out all after the enacting clause and insert:

That the Congress finds that (a) there are natural, scenic, recreational, historic, and other values of a forty-eight-mile segment of the Chattahoochee River and adjoining lands in the State of Georgia from Buford Dam downstream to Peachtree Creek, (b) there is a special national interest in protecting these values from developments and uses which would substantially impair or destroy these values for residents and visitors to the area, (c) the primary responsibility for the provision of recreational opportunities, and the preservation of scenic, natural, and historic areas, rests with the State of Georgia and the various local units of government having jurisdiction over the area, (d) in recognition of the multi-State and national significance of some of the recreational values, the Federal Government has an interest in the management and preservation of the resources and should assist the State of Georgia and its local units of government in fulfilling their responsibilities, (e) the State of Georgia or its local units of government have authority to prevent or minimize adverse use of the Chattahoochee River and adjoining lands and can protect this area by the use of its authorities.

SEC. 2. The purposes of this Act are (a) to provide for the preservation of the Chattahoochee River in its natural state and to protect the quality of its water and the view from the river to the adjoining banks and adjacent property; (b) to provide for the preservation of and public access to the river, its scenic corridors, and existing roads leading thereto; (c) to provide for the preservation of the outstanding natural, historic, and ecologic features of the Chattahoochee River; and (d) to provide outdoor recreation area and facilities for the people of the Atlanta metropolitan area and the Nation.

SEC. 3. There is hereby established the Chattahoochee River National Urban Park and Recreation Area (hereinafter referred to as the "urban park").

SEC. 4. The Governor of the State of Georgia (hereinafter referred to as the "Governor") shall, in consultation with the Atlanta Regional Commission and the Atlanta Regional Commission's Advisory Council on Regional Development Planning, develop a plan for the urban park.

SEC. 5. The plan shall include, but need not be limited to—

(a) a description of the boundaries of the urban park together with a map or other description of the areas within the boundaries which are to be acquired and developed or preserved to achieve the purposes described in section 2 of this Act;

(b) a description of such other areas which the State proposes to incorporate within the urban park in the future together with the purpose for which such areas are to be incorporated;

(c) a specific program to be implemented including, but not limited to, a schedule of acquisition and development which will achieve the purposes of section 2 and which may include the use of the constitutional authority of the State to regulate the use of land and water; other noncompensatory regulations which may be appropriate; compensatory regulations; tax incentives; acquisition of fee or less than fee interests in land and/or water; or any combination of methods which will best accomplish the purpose of this Act: Provided, That the program may not propose an expenditure of Federal funds in excess of $7,000,000 exclusive of funds available under other Federal programs including, but not limited to, the Land and Water Conservation Fund Act and the Historic Preservation Act of 1966: And provided further, That the program shall indicate the total anticipated costs of implementation of the plan and the expected sources of funds to meet those costs; and

(d) the identification of the units of State and local government which will be responsible for implementing the program and the designation of the specific State or local entity which will be responsible for the operation and maintenance of the urban park together with the necessary enabling authorization for such entity to perform the appropriate operations and maintenance.

SEC. 6.(a) The Secretary of the Interior (hereinafter referred to as the "Secretary") and the heads of other Federal agencies shall cooperate with the Governor in the formulation of the plan upon request of the Governor and to the extent of available funds.

(b) Financial and administrative services for planning and evaluation (including those relating to payment of budgeting, accounting, financial reporting, personnel, and procurement) shall be provided by the Department of the Interior from the funds appropriated to carry out the provisions of this Act.

SEC. 7. (a) The Governor shall submit the plan to the Secretary who shall, within ninety days of the day it is submitted to him, either approve or disapprove the plan after consulting with the Atlanta Regional Commission and the Atlanta Regional Commissions Advisory Council on Regional Development Planning.

(b) The Secretary shall approve the plan if he finds that (1) the State has afforded adequate opportunity in the Atlanta metropolitan area for public comment on the plan, and such comment was received and considered in the plan or revision as presented to him; (2) the State and local units of government identified in the plan as responsible for implementing its provisions have the necessary legislative authority to carry it out, and the chief executive officers of the State and local units of government have indicated their intention to utilize such authority in the implementation of the plan in accordance with the program established by the State; (3) the entity identified as responsible for operations and maintenance at the urban park has the necessary authorization; (4) the plan, if implemented, will achieve the purposes detailed in section 2; (5) there is a reasonable expectation that funds will be acquired or be available to implement the plan and that the estimated costs of implementation of the plan are accurate; and (6) the plan will, in fact, be implemented.

(c) If the Secretary disapproves the plan or revision, he shall advise the Governor of the reasons therefor, together with his recommendations for revision. The plan, following its disapproval, may be resubmitted to the Secretary for his approval in the discretion of the Governor.

(d) Upon approval of the plan, the Secretary shall publish a notice thereof in the Federal Register, and shall transmit copies of the plan, together with his comments to the President of the Senate and the Speaker of the House of Representatives.

(e) No revision of an approved plan may be made without the approval of the Secretary. The Secretary shall approve or disapprove a proposed revision within ninety days from the date it is submitted to him. Whenever the Secretary approves a revision, he shall publish notice thereof in the Federal Register.

SEC. 8. Upon approval of the plan, the Secretary shall make grants for its implementation in the total amount of $7,000,000 to the State of Georgia for implementation of the plan. The State may transfer any or all of such grants to local units of government identified as having responsibility for implementing its provisions. Such grants shall be made upon application of the State, shall be supplemental to any other Federal financial assistance for any purpose, and shall be subject to such reasonable terms and conditions as the Secretary deems necessary to effectuate the purposes of this Act.

SEC. 9. There is hereby established a special account in the Treasury of the United States for the purpose of holding moneys to be used for grants, pursuant to section 8 of this Act, to the State of Georgia. There shall be covered into such special account the sum of $7,000,000 from revenues due and payable to the United States under the Outer Continental Shelf Lands Act (67 Stat. 462) as amended and/or under the Act of June 4, 1920 (41 Stat. 813), as amended, which would be otherwise credited to miscellaneous receipts of the Treasury.

SEC. 10. APPROPRIATIONS.—There are authorized to be appropriated to defray the expenses incident to the preparation or revision of a plan for the acquisition, development, and use of the urban park such sums annually as may be necessary, and for grants to the State to implement a plan approved pursunat to section 7 of this Act, a total of $7,000,000 from the special account created in section 9 of this Act.

Mr. NUNN. I yield to the Senator from Lousiana, who is the manager of this bill.

Mr. JOHNSTON. Mr. President, this bill provides with respect to the Chattahoochee the formula—what we call the Santa Monica formula—whereby we give some $7 million to a commission to come up with a plan for the Chattahoochee, which is a 48-mile stretch of beautiful river flowing eventually through downtown Atlanta.

With this $7 million, the Planning Commission is to come up with a plan—including the use of State funds and, if appropriate, local funds—to preserve not only the qualities of the river itself—

the pure water, the view along the river—making it available for floating and that sort of thing, but also to acquire recreation areas along the banks of the river.

It will be a mutual endeavor on behalf of the State, the localities, and the Federal Government, for which the bill provides some $7 million. It is the same formula that has been used in Santa Monica, Calif., outside of Los Angeles, and in Nantucket. We hope to use this formula on a number of other parks in the country.

Mr. NUNN. Mr. President, I am extremely pleased that the Senate is about to enact legislation which will assist in preserving a unique natural resource, the Chattahoochee River, in its natural state. While I do not feel that the authorization level of S. 2587 is sufficient to completely accomplish the necessary preservation, I am convinced that we must act now in order to insure that the natural, historic, and recreational attributes of the stretch of river from Buford Dam to Peachtree Creek are not permitted to erode any further.

S. 2587 is not the perfect approach to prevent the deterioration of the Chattahoochee and its environs; however, I am convinced that it is the best possible approach that can receive the approval of the Senate at this time. I am hopeful that passage of this bill will encourage expeditious action on a companion measure in the House and that the resultant conference committee will produce a package that will enable the State of Georgia to proceed with meaningful preservation of one of the few major rivers that flow through a large metropolitan area.

Mr. President, permit me to provide the Senate with some background on the Chattahoochee River and the efforts to preserve it.

The Chattahoochee begins as a small mountain stream in northeast Georgia, flowing southwesterly across the State where it enters Lake Lanier and is impounded by Buford Dam. The river then continues southerly, passing by the northwest boundary of metropolitan Atlanta and forms the boundary for the States of Alabama and Georgia, eventually flowing into the Apalachicola River in Florida and emptying into the Gulf of Mexico. Much of the lower portion of the river has been dammed to form a succession of reservoirs.

The proposed national urban park and recreation area extends for 48 miles from Buford Dam to Peachtree Creek, near the center of Atlanta. On September 14, 1970, the Secretary of the Interior selected this area, along with 13 other major areas, as having recreation potential in a metropolitan location. The Bureau of Outdoor Recreation—BOR—cooperating with other Federal, State, and local agencies, completed a study of this section of the river. The "Chattahoochee Recreation Area Study" was subsequently published containing findings and recommendations by the BOR.

Beginning in the late 1960's and reaching a peak in 1971 when the Georgia General Assembly proposed a bill to place the river under protection of a State agency, there has been considerable State, local government, and private citizen interest in planned recreational use and preservation of the Chattahoochee. In July of 1972, the Atlanta Regional Commission, a State planning agency, in cooperation with the North Georgia Mountains Authority and aided by a grant from the Department of Housing and Urban Development, published the "Chattahoochee Corridor Study" proposing controlled development along the river. The ARC plan called for areas of private and public land ownership, and recommended public acquisition of 6,000 acres along with planned unit developments of privately owned lands. Subsequently, then Georgia Governor, Jimmy Carter, worked with the ARC and local citizens groups to draft legislation which would implement this concept.

In September of 1972, approval of a $1.89 million land and water conservation fund grant helped establish a 377 acre Chattahoochee Palisades State Park. To date, over 700 acres of land bordering the river are publicly owned.

The 1973 session of the Georgia General Assembly passed the Metropolitan River Protection Act to regulate development within 2,000 feet of the river. This act now requires review by local governments and the ARC of any proposed changes in land or water use within the corridor.

Congressman ANDREW YOUNG, of Atlanta, with the support of the Georgia delegation, has introduced H.R. 3078 in the House as a companion measure to the efforts in the Senate. Senator TALMADGE and I introduced S. 661, an identical bill, in the Senate, which, along with S. 2587, was the subject of hearings in October of 1975.

In September of 1975, representatives of the National Park Service's Advisory Board on National Parks, Historic Sites, Buildings and Monuments visited the proposed recreation area examining various sites along the river's banks, floating a 2-mile stretch of river, and overflying the entire area from Standing Peach Tree to Lake Sidney Lanier. As a result of this visit, the Advisory Board submitted a report to the Secretary of the Interior in which they made the following statement:

> The subcommittee was extremely impressed with the natural beauty of the area, particularly since much of the most attractive portions of the river are within the city limits of Atlanta. The Chattahoochee is a unique resource; it obviously must be protected from the multitude of possible immediate encroachments, and it offers an extraordinary possibility to serve the recreation needs of the area. Presently with no management at all, and often requiring citizens to violate private property, the river is extensively used. Atlanta public transportation and the interstate highway system provide easy access to the river for people in a five-state area. Twenty percent of present usage is from outside the Atlanta area, and half of that from outside the State of Georgia.
>
> The subcommittee was in agreement that the Chattahoochee corridor more than met the established criteria for national recreation areas, and that private and State facilities for development have been exhausted. The Board thus recommends that the National Park Service proceed with the necessary preliminary study, building on the work of the Bureau of Outdoor Recreation, the Georgia Department of Natural Resources, and Friends of the River, with the intent of adding to the System the Chattahoochee River National Recreation Area.

Mr. President, this is a synopsis of the events which have taken place to date concerning the effort to preserve a 48-mile stretch of the Chattahoochee River. I want to mention a few of the reasons which cause me to believe that we should proceed with the formal steps necessary to preserve this area.

This 48-mile stretch of the river should be preserved and protected due to its natural, scenic, historic, educational, and recreational values. It is important, not only to the State of Georgia, but also to the entire Nation. While this is to some extent a subjective evaluation, there are several facts which support such a conclusion.

According to the 1972 Census of Transportation published by the Commerce Department, half of all trips taken by Americans have a metropolitan area as their destination. This fact is of particular significance to our discussion today because of the fact that Atlanta is the hub of the South. Due to the intersection of I–75 and I–85 in metropolitan Atlanta, virtually all north and south vacation traffic passes within view of the Chattahoochee. In a 1972 Travel Research Study on Georgia Highways and Vacation/Recreation Travel, the University of Georgia Division of Research estimated that the average vacation/recreation traffic volume on I–75 from Tennessee to Atlanta in 1970 was 4,000 cars per day. On I–85 from South Carolina to Atlanta the average was 3,100 cars. More important, however, is the estimation that within 25 years the traffic on the I–75 corridor will reach 9,400 cars per day while I–85 will produce traffic in the range of 6,200 cars per day. It is important to recognize that these figures represent only vacation/recreation related traffic.

Lake Lanier, which marks the beginning point of the proposed recreation area, has the largest visitation of any Army Corps of Engineers project anywhere in the United States. The 13.8 million individuals who visited the lake last year also represented a larger visitation than at any single unit in the national parks system.

The 7-county area which would be touched by the proposed recreation area currently has a population of approximately 1.6 million persons. The Georgia Office of Planning and Budget estimates that within 25 years the population will easily exceed 2 million and represent approximately 35 percent of the State's population.

During the summer as many as 10,000 people have been surveyed to be using the Chattahoochee for recreation on each weekend day. At least 20 percent of these users originate from areas outside of metropolitan Atlanta and half of these people are from out of State. This volume will certainly increase in the future as Americans continue to seek out natural areas for recreation. It is also important to recognize that this volume of individuals generally must obtain access to the river through privately owned property.

While some portions of the corridor have already been acquired through such means as Federal land and water conservation grants, donation, and State funds, this form of "holding action" cannot be expected to prevent deterioration of this resource much longer. We must proceed with an organized preservation effort pursuant to the Atlanta Regional Commission study and a recently completed concept plan developed by the Georgia Department of Natural Resources in cooperation with the Atlanta Regional Commission and local citizens groups.

I believe that it is essential that we act expeditiously in order to insure that this rare resource is appropriately preserved for the benefit of Georgians and all Americans. At a time when open space continues to disappear under concrete blankets and high rise complexes the preservation of an area of natural beauty, such as the Chattahoochee, for the future enjoyment of generations of Americans should be a top priority. Few, if any, metropolitan centers have such a major natural resource that can still be preserved.

Mr. President, I hope that my colleagues will support enactment of S. 2587, as amended.

The PRESIDING OFFICER. All time has expired.

Mr. NUNN. Mr. President, I have an amendment to the bill, so I will have to ask for additional time, or we will have to have this matter over.

The PRESIDING OFFICER. Who yields time?

Mr. NUNN. Mr. President, will the Senator yield 1 additional minute?

Mr. HRUSKA. I yield 2 minutes to the Senator from Georgia.

Mr. NUNN. Mr. President, the Senator from Louisiana knows that I preferred a high authorization level. I have discussed this with him. We need more money than the Senator from Louisiana feels the country can afford on this project at this time.

UP AMENDMENT NO. 426

Mr. President, I send to the desk an amendment which I have discussed with the Senator from Louisiana, and I have discussed it with the Senator from Wyoming (Mr. HANSEN). This amendment would add $5 million. The present level authorization is $7 million. This would add $5 million, to make it $12 million.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Georgia (Mr. NUNN) proposes an unprinted amendment numbered 426.

The amendment is as follows:

In section 5, delete "$7,000,000" and insert in lieu thereof "$12,000,000".

In section 8, delete "$7,000,000" and insert in lieu thereof "$12,000,000".

In section 9, delete "$7,000,000" and insert in lieu thereof "$12,000,000".

In section 10, delete "$7,000,000" and insert in lieu thereof "$12,000,000".

In section 10, delete the period "." at the end thereof and insert in lieu thereof ", except that no part of such sum may be appropriated for any fiscal year prior to the Fiscal Year ending September 30, 1978.

Mr. NUNN. Mr. President, as I mentioned in my statement, I honestly believe that the authorization level in this legislation is inadequate to accomplish the necessary preservation. The amendment which I have sent to the desk would increase the authorization by $5 million. While I do not feel that $12 million is adequate, it is more adequate than $7 million.

The amendment would also delay this authorization until fiscal 1978, so as to conform with the Budget Act.

Mr. President, I have discussed this amendment with Senator JOHNSTON and Senator HANSEN, the ranking minority member, and it is my understanding that they will accept the amendment.

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

The amendment was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment, as amended.

The committee amendment, as amended, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

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

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

Mr. STEVENS. Mr. President——

The PRESIDING OFFICER. There is no time.

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

The PRESIDING OFFICER. On whose time?

Mr. ALLEN. There is not sufficient time for a quorum call, Mr. President.

The PRESIDING OFFICER. There is not sufficient time for a quorum call.

Mr. STEVENS. Mr. President, this bill has not been cleared with the minority, and I object to its passage until it is.

Mr. NUNN. The bill has been cleared with the minority.

The PRESIDING OFFICER. Objection is heard.

Mr. STEVENS. I thank the Senator from Georgia for his patience and I withdraw the objection I previously entered.

The PRESIDING OFFICER. The question is, Shall the bill pass?

The bill (S. 2587) was passed, as follows:

S. 2587

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress finds that (a) there are natural, scenic, recreational, historic, and other values of a forty-eight-mile segment of the Chattahoochee River and adjoining lands in the State of Georgia from Buford Dam downstream to Peachtree Creek, (b) there is a special national interest in protecting these values from developments and uses which would substantially impair or destroy these values for residents and visitors to the area, (c) the primary responsibility for the provision of recreational opportunities, and the preservation of scenic, natural, and historic areas, rests with the State of Georgia and the various local units of government having jurisdiction over the area, (d) in recognition of the multi-State and national significance of some of the recreational values, the Federal Government has an interest in the management and preservation of the resources and should assist the State of Georgia and its local units of government in fulfilling their responsibilities, (e) the State of Georgia or its local units of government have authority to prevent or minimize adverse uses of the Chattahoochee River and adjoining lands and can protect this area by the use of its authorities.

SEC. 2. The purposes of this Act are (a) to provide for the preservation of the Chattahoochee River in its natural state and to protect the quality of its water and the view from the river to the adjoining banks and adjacent property; (b) to provide for the preservation of and public access to the river, its scenic corridors, and existing roads leading thereto; (c) to provide for the preservation of the outstanding natural, historic, and ecologic features of the Chattahoochee River; and (d) to provide outdoor recreation area and facilities for the people of the Atlanta metropolitan area and the Nation.

SEC. 3. There is hereby established the Chattahoochee River National Urban Park and Recreation Area (hereinafter referred to as the "urban park").

SEC. 4. The Governor of the State of Georgia (hereinafter referred to as the "Governor") shall, in consultation with the Atlanta Regional Commission and the Atlanta Regional Commission's Advisory Council on Regional Development Planning, develop a plan for the urban park.

SEC. 5. The plan shall include, but need not be limited to—

(a) a description of the boundaries of the urban park together with a map or other description of the areas within the boundaries which are to be acquired and developed or preserved to achieve the purposes described in section 2 of this Act;

(b) a description of such other areas which the State proposes to incorporate within the urban park in the future together with the purpose for which such areas are to be incorporated;

(c) a specific program to be implemented including, but not limited to, a schedule of acquisition and development which will achieve the purposes of section 2 and which may include the use of the constitutional authority of the State to regulate the use of land and water; other noncompensatory regulations which may be appropriate; compensatory regulations; tax incentives; acquisition of fee or less than fee interests in land and/or water; or any combination of methods which will best accomplish the purpose of this Act: *Provided,* That the program may not propose an expenditure of Federal funds in excess of $12,000,000 exclusive of funds available under other Federal programs including, but not limited to, the Land and Water Conservation Fund Act and the Historic Preservation Act of 1966: *And provided further,* That the program shall indicate the total anticipated costs of implementation of the plan and the expected sources of funds to meet those costs; and

(d) the identification of the units of State and local government which will be responsible for implementing the program and the designation of the specific State or local entity which will be responsible for the operation and maintenance of the urban park together with the necessary enabling authorization for such entity to perform the appropriate operations and maintenance.

SEC. 6. (a) The Secretary of the Interior (hereinafter referred to as the "Secretary") and the heads of other Federal agencies shall cooperate with the Governor in the formulation of the plan upon request of the Governor and to the extent of available funds.

(b) Financial and administrative services for planning and evaluation (including those relating to payment of budgeting, accounting, financial, reporting, personnel, and procurement) shall be provided by the Depart-

ment of the Interior from the funds appropriated to carry out the provisions of this Act.

SEC. 7. (a) The Governor shall submit the plan to the Secretary who shall, within ninety days of the day it is submitted to him, either approve or disapprove the plan after consulting with the Atlanta Regional Commission and the Atlanta Regional Commissions Advisory Council on Regional Development Planning.

(b) The Secretary shall approve the plan if he finds that (1) the State has afforded adequate opportunity in the Atlanta metropolitan area for public comment on the plan, and such comment was received and considered in the plan or revision as presented to him; (2) the State and local units of government identified in the plan as responsible for implementing its provisions have the necessary legislative authority to carry it out, and the chief executive officer of the State and local units of government have indicated their intention to utilize such authority in the implementation of the plan in accordance with the program established by the State; (3) the entity identified as responsible for operations and maintenance at the urban park has the necessary authorization; (4) the plan, if implemented, will achieve the purposes detailed in section 2; (5) there is a reasonable exception that funds will be acquired or be available to implement the plan and that the estimated costs of implementation of the plan are accurate; and (6) the plan will, in fact, be implemented.

(c) If the Secretary disapproves the plan or revision, he shall advise the Governor of the reasons therefor, together with his recommendations for revision. The plan, following its disapproval, may be resubmitted to the Secretary for his approval in the discretion of the Governor.

(d) Upon approval of the plan, the Secretary shall publish a notice thereof in the Federal Register, and shall transmit copies of the plan, together with his comments to the President of the Senate and the Speaker of the House of Representatives.

(e) No revision of an approved plan may be made without the approval of the Secretary. The Secretary shall approve or disapprove a proposed revision within ninety days from the date it is submitted to him. Whenever the Secretary approves a revision, he shall publish notice thereof in the Federal Register.

SEC. 8. Upon approval of the plan, the Secretary shall make grants for its implementation in the total amount of $12,000,000 to the State of Georgia for implementation of the plan. The State may transfer any or all of such grants to local units of government identified as having responsibility for implementing its provisions. Such grants shall be made upon application of the State, shall be supplemental to any other Federal financial assistance for any purpose, and shall be subject to such reasonable terms and conditions as the Secretary deems necessary to effectuate the purposes of this Act.

SEC. 9. There is hereby established a special account in the Treasury of the United States for the purpose of holding moneys to be used for grants, pursuant to section 8 of this Act, to the State of Georgia. There shall be covered into such special account the sum of $12,000,000 from revenues due and payable to the United States under the Outer Continental Shelf Lands Act (67 Stat. 462) as amended and/or under the Act of June 4, 1920 (41 Stat. 813), as amended, which would be otherwise credited to miscellaneous receipts of the Treasury.

SEC. 10. APPROPRIATIONS.—There are authorized to be appropriated to defray the expenses incident to the preparation or revision of a plan for the acquisition, development, and use of the urban park such sums annually as may be necessary, and for grants to the State to implement a plan approved pursuant to section 7 of this Act, a total of $12,000,000 from the special account created in section 9 of this Act, except that no part of such sum may be appropriated for any fiscal year prior to the fiscal year ending September 30, 1978.

The title was amended so as to read: "A bill to authorize the establishment of the Chattahoochee River National Urban Park and Recreation Area in the State of Georgia, and for other purposes."

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session for 1 minute to consider two nominations reported unanimously by the Committee on Commerce earlier today. I make this request at the behest of Mr. PASTORE and Mr. MAGNUSON.

There being no objection, the Senate proceeded to the consideration of executive business.

FEDERAL COMMUNICATIONS COMMISSION

The assistant legislative clerk read the nominations of Margareta E. White, of Virginia, and Joseph R. Fogarty, of Rhode Island, to be members of the Federal Communications Commission.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed.

Mr. PASTORE. Mr. President, I move that the President be notified.

The PRESIDING OFFICER. Let there be order in the Senate.

Without objection, the President will be notified.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Without objection, the Senate will return to legislative session.

LEGISLATIVE APPROPRIATIONS, 1977

The Senate continued with the consideration of the bill (H.R. 14238) making appropriations for the legislative branch for the fiscal year ending September 30, 1977, and for other purposes.

The PRESIDING OFFICER. Under the previous order, the Senate will now resume the consideration of H.R. 14238. The pending question is on agreeing to the last committee amendment, on which there is 1½ hours remaining.

Who yields time?

Mr. CULVER. Mr. President, I ask unanimous consent that there be a quorum call, without the time being taken from either side.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HOLLINGS. 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 Senate will be in order. The Senator will suspend until order is restored. Senators will please cease conversation.

The Senator may proceed.

Mr. HOLLINGS. Mr. President, we have now returned to the subject of the turkey that is going to be unloaded on the Senate. If you remember, just before lunch, we were knocking on doors, trying to find out what was going on, and no one knew what was going on, except that they were trying to unload it, that they greased a few skids, and were going to run it by the Senate, and that they were going to let us buy the building because they believed in good government.

The distinguished Senator from Iowa had painted a very fascinating picture about a bunch of nitwit Senators who were just zooming around trying to buy a building, for some place to spend money.

I responded by pointing to the extensive hearings, including the hearings of last December 1975, and other hearings of the Senator's own subcommittee in March of this year; but besides the hearings on everything he has alluded to, I would like at this point to refer to a letter of the National Governors' Conference, signed by Cecil D. Andrus, the Governor of Idaho, who writes, on September 3:

DEAR SENATOR HOLLINGS: The National Governors' Conference has devoted considerable effort during the past year to finding a central office facility in which our own offices and those of other state associations and individual States could be located. The purpose of this facility is to strengthen the individual and collective state presence in Washington, D.C. and to provide improved central services to state offices at a reduced cost.

After an extensive search by the NGC Building Committee chaired by Governor Daniel J. Evans, the Executive Committee approved the new building at 400–444 North Capitol Street as an appropriate site.

So now they have a turkey that is going to be unloaded on Governor Evans.

Mr. President, I ask unanimous consent that the letter in its entirety be printed in the RECORD at this point.

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

NATIONAL GOVERNORS' CONFERENCE,
September 3, 1976.

HON. ERNEST F. HOLLINGS,
Chairman, Subcommittee on Legislative, Senate Committee on Appropriations, Dirksen Senate Office Building, Washington, D.C.

DEAR SENATOR HOLLINGS: The National Governors' Conference has devoted considerable effort during the past year to finding a central office facility in which our own offices and those of other state associations and individual States could be located. The purpose of this facility is to strengthen the individual and collective state presence in Washington, D.C. and to provide improved central services to state offices at a reduced cost.

After an extensive search by the NGC Building Committee chaired by Governor Daniel J. Evans, the Executive Committee approved the new building at 400–444 North Capitol Street as an appropriate site.

The lease which we have negotiated calls for our occupying floors two and three of the northern section of the building with options for modest future expansion. Our lease fur-

ther calls for occupancy next month. To prepare for occupancy we have spent substantial time and resources and have given up our present space. We expect construction of our new space at 444 North Capitol to begin immediately.

My understanding is that the Senate, which has previously considered the purchase of the building, will take up this question at noon on Tuesday, September 7, in connection with the Joint Legislative Appropriations bill. We have received numerous indications during the past several months that if the Senate were in fact to purchase the building, which as you know is quite large, all outstanding leases would be honored, and that the States in particular would be most welcome tenants. We for our part would be pleased to remain in the building under our lease if the Senate should in fact purchase the building.

My understanding is that the Senate bill to be considered on Tuesday makes specific provision for the leasing of space not immediately required by the Senate. In view of this provision, which is consistent with the discussions indicated above, we plan to complete promptly the long and difficult process of moving into the new building. Should the Senate acquire the building we look forward to working with its designated agents for our mutual productive use of the premises.

I greatly appreciate your cooperation on this important matter.

Sincerely,

CECIL D. ANDRUS.

Mr. HOLLINGS. Referring to the last paragraph, Mr. President, Governor Andrus states:

My understanding is that the Senate bill to be considered on Tuesday makes specific provision for the leasing of space not immediately required by the Senate. In view of this provision, which is consistent with the discussions indicated above, we plan to complete promptly the long and difficult process of moving into the new building. Should the Senate acquire the building we look forward to working with its designated agents for our mutual productive use of the premises.

Now, in addition to the GSA finding, in addition to the finding by the Architect, in addition to the finding by the subcommittee, which has had numerous hearings, in addition to the findings by the chairman of the subcommittee, and in addition to the finding by the chairman of the Committee on Public Works, the Senator from West Virginia (Mr. RANDOLPH), we now have a National Governors' Conference Building Committee coming in and looking at the building, and finding it, not a turkey, but something they would want to make sure they could find space in. That is the group that met in Williamsburg over Labor Day, incidentally, and asked for a balanced budget. They are very much interested in sound business judgment, staying in business, and balancing budgets. That is the same group that is interested in this building.

To reiterate once again, our committee only provides the authority for the Senator from Alabama (Mr. SPARKMAN), and the Senate Office Building Commission, and the Architect of the Capitol to enter into negotiations to see if we could make an appropriate arrangement that would be economical, that would be in the best interests of the Senate, and that would answer the tremendous pressure of space needs and parking needs, rather than what the Senator from Iowa said was an exorbitant expense; namely, the rentals. The subcommittee found the rentals were exorbitant, and on that basis, that it was in the interests of the Senate not to help the owners pay off the mortgage and then, in 5 or 6 years, when we desperately need it, have them up the price because that is the only space around this Capitol Hill complex. Rather than help them pay off that mortgage, we were recommending an economically sound and prudent action.

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

Mr. HOLLINGS. I yield for a question.

Mr. McCLURE. There is a bit of confusion in the Chamber, and perhaps I missed something in the reading of the letter from the National Governors' Conference. Was the National Governors' Conference seeking to persuade Congress to buy the building, so that they might be able to rent space from Congress?

Mr. HOLLINGS. No; they were seeking to rent the space irrespective of the action taken by the Senate. The Senator evidently did not hear the debate we had prior to lunchtime. When the building was spoken of as a greenhouse, a ghost house, a haunted house—it was all falling apart, and no one with any good sense would want it. It was finally, in cumulation, called a turkey. I was addressing the fact that, on the contrary, we had had hearings, and in the Public Works hearings themselves, in March, all these estimated costs for tenant improvements, for lights, for rugs, were before the Public Works Committee.

Mr. McCLURE. My question was, I do not understand what it was the National Governors' Conference was seeking to accomplish in writing the letter.

Mr. HOLLINGS. That if we became the owners, they would like to lease from us.

Mr. McCLURE. Well, were they in that letter, in effect, urging us to buy it so they could rent space?

Mr. HOLLINGS. The Senator keeps asking what he understands the answer to be. That letter is not urging us to buy or not to buy. The letter just states exactly what it says:

After an extensive search by the National Governors' Conference Building Committee chaired by Governor Daniel J. Evans, the Executive Committee approved the new building.

If the Senator had heard that debate before lunch, he would not have thought anyone in his right mind would approve anything about this building. That is what I am citing this letter for.

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

Mr. HOLLINGS. I yield the floor.

Mr. CULVER. On that particular letter I think all Senators——

The PRESIDING OFFICER. Who yields time?

Mr. CULVER. It is on my time.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. CULVER. With regard to that particular letter, I think it is important to clarify it. I think many Senators have received copies of it today. Independently of that communication I have had telephone conversations with representatives of the Governors' conference. What they say in the letter is:

We have been negotiating for some additional space in the Nation's Capital suitable for our activities in the Governors' Conference. We have determined that this site may be suitable and we may wish to rent some space in that building. We want to just advise you that, if the Senate buys it or if the Senate does not buy it, we would be interested in negotiation for such limited space consistent with our needs and precisely defined requirements.

They are not talking about leasing the entire building. On the contrary, we are talking about a building of 550,000 square feet, essentially 70,000 square feet on every floor, and they are talking about some portion of one floor or possibly two floors.

Second, I had a communication this morning independently from a Governor who is very prominent and active in the Governors' Conference. It was a telephone conversation, and he advised me:

I think you are right on the issue. You are dead right on the issue. But if the Senate goes ahead and buys it, I just wanted to let you know we may be interested for a bit of it.

I think it is very important to note, Mr. President, that in December 1975, when this was being considered in terms of a possible lease arrangement, and the Senator from Idaho contributed I think so expertly in an attempt to elicit the relevant information with regard to that particular contemplated negotiation, at that time the distinguished Senator from South Carolina said:

I don't think we should be in the management business.

He said:

I don't want to be in the management business.

I think the important thing to keep in mind is that we either have a precisely determined exact requirement for space for specified purposes or we do not have. If we have such a plan and such a requirement carefully defined, we ought to make an informed and careful judgment as to how to best satisfy that need in the short term and the long term. That is why we talked about lease.

Right now we are talking about space for a second computer. At the outside they are talking about 38,000 square feet to accommodate the total computer unit, and OTA is coming in with a request, because they have been told there may be some space over in this wondrous building, with an inflated request for 60,000 square feet.

Take the worse case. There has been a purported demonstration of need, taking the outside parameters, on the outside of 100,000 square feet.

It seems to me at a time when GSA says, "You're out of your head to rent space down there for more than $7.72 a square foot because it is overbuilt in that market," for us to take on the long-term costs and the immediate costs of purchase, that are represented in this building and which we are prepared to go into in great detail, which is totally unsuitable for our needs, is the height of irresponsibility.

The Governors' Conference only said

that they are looking for some rental space. They are not interested in buying this.

Mr. HOLLINGS. Mr. President, will the Senator yield at that point?

Mr. CULVER. I am glad to yield. On whose time?

Mr. HOLLINGS. On my time. I want to read this paragraph because there is not any "may" in this or "they may do it."

The lease which we have negotiated calls for our occupying floors two and three of the northern section of the building with options for modest future expansion. Our lease further calls for occupancy next month.

They are not talking about "may" or "sort of" or "like" to sort of talk to you about it.

To prepare for occupancy we have spent substantial time and resources and have given up our present space. We expect construction of our new space at 444 North Capitol to begin immediately.

That is why the Governor and head of the Governors' Conference called me all the way in Charleston, S.C., on Labor Day. So I had no "may," "might like," and everything else like that. It is positive.

I know the Senator talked to his Governor and he said,

"You're quite right on the issue."

If I called my Governor he would tell me I was quite right on the issue.

Mr. CULVER. If the Senator will yield, is it relevant to the National Governors' Conference at all in their letter as to who owns the building?

Mr. HOLLINGS. I think they want it. I think they think it is a good building.

Mr. CULVER. They do not care who owns the building, right?

Mr. HOLLINGS. I think they would perhaps.

Mr. CULVER. They do not say that in the letter.

Mr. HOLLINGS. They found the present owners as a competent team to deal with. The Senator had them sneaking around and unloading turkeys.

Mr. CULVER. There is a difference to have a landlord lessor-lessee arrangement and buying something.

Mr. HOLLINGS. That is right.

Mr. CULVER. What are we really talking about here? I was interested in whether now the distinguished Senator from South Carolina has made a determination that the Senate ought to get in the business of property management. We are going to take it on ourselves, when this private developer cannot find tenants to fill up a building of 550,000 square feet, that managerial responsibility that we properly, in my judgment, repudiated in the Chamber in December 1975.

Finally, we know that the history, Mr. President, of the U.S. Government as a landlord has to be one of the most deplorable chapters in American history. Right now there is Federal space being rented in the Visitors Center, and by the way if we go ahead with this it is going to make the Visitors Center look like a good deal, at 50 cents a square foot per year. The lease for the U.S. post office down there is like $150 to $200 total a year for their substation. In the meanwhile the Federal Government will be carrying the operation and maintenance costs, which in this bill alone in the first year are $3.5 million. There will also be the electricity bills. Additionally, it does not meet GSA standards in energy. If that is what we are debating here, we ought to know that.

The National Governors' Conference indicates that they need some space and, whether or not the Senate buys the building, they just want to notify us that they have this pending interest in leasing. I have no objections to negotiating the lease. I supported efforts to negotiate a lease for carefully defined space up to 5 years during this interim period. But that is an entirely different issue.

Mr. HOLLINGS. On whose time is this?

Mr. CULVER. My time.

It is an entirely different issue. Whether or not we are going to buy or whether or not we are going to buy and be a landlord in terms of the responsibility for administration of this space are entirely different issues.

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

Mr. CULVER. I yield.

Mr. McCLURE. If I understand, also, the letter from the Governors Conference does not identify the terms and conditions of the lease or the value that is put upon it. Certainly that is absolutely essential to any evaluation of either the suitability or desirability of the lease. There is a great deal of difference, as the Senator from New Mexico mentioned to me a moment ago, between renting a turkey and buying one. Whether this is a turkey or not will depend upon the conditions and terms of the lease as well as conditions and terms of the sale.

The Committee on Public Works did decide that the building was overpriced as did the GSA on the prior lease arrangement. In spite of the fact that we decided it was overpriced, now we find this legislation appropriating enough money to pay even more than we had determined was excessive on the market.

Mr. CULVER. If the Senator will yield at this point, it is interesting to note that the negotiations were originally between GSA and the builders. They were $448,000 apart on what GSA said was an acceptable rental based on the prospectus that this Congress established on October 10, 1974. GSA walked away and rented suitable space for $5.49 per square foot. They saved money for the U.S. taxpayers, even under the amount authorized by the congressional prospectus.

Interestingly enough, the next step was when the builders entered into negotiations with the U.S. Senate to rent it. The interesting thing here is that the differential became greater. While the builders were in effect $448,000 apart with GSA, they proposed a deal which was a million dollars apart from what the Senate negotiators and the builders felt was a tolerable level of rent. Those negotiations failed.

We are appropriating automatically 35.5, and where we got that figure, I do not know. That is just out of thin air, literally out of thin air—35.5. Nowhere in any of these documents does that even appear.

If we look at that figure of $35.5 million, they have $3.5 million for operation and maintenance in the first year. That is the one to watch, $3.5 million for operation and maintenance.

Mr. McCLURE. Will the Senator not agree that that is above the 35.5?

Mr. CULVER. The Senator is absolutely right.

So when you add 35.5 and 3.5, you are up to $39 million for openers, with no firm understanding whatsoever as to what constitutes that basic building: What constitutes a carefully and mutually defined and acceptable shopping list of tenant improvements.

Look at the O. & M. That $3.5 million, if you apply it to the net square footage we are talking about, it comes out to about $9 per square foot. That is just O. & M. costs. And we are talking about what a great saving this thing is.

What a wonderful saving. You could rent all the space you need, and have the National Governors' Conference as a fellow tenant. Fine. But it is a major difference whether you are talking about an interim accommodation for a second computer with a precise, defined requirement, and for the OTA, or taking on the ownership obligations of a structure which is twice as big as the Russell Building.

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

Mr. CULVER. I do not yield at this point.

The important thing here is, what are the terms of that deal between the National Governors' Conference and the owner? They say that they are giving serious consideration to signing this thing in October.

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

Mr. CULVER. Not at this point.

Mr. SCHWEIKER. I hope we get the record straight on some misinformation the Senator is giving the Senate.

Mr. CULVER. The Senator will have plenty of opportunity to do that.

On this point, the interesting thing is that negotiations had fallen through on renting it to either the GSA or the U.S. Senate and the deal fell through on buying it. We have had all these hearings, and it was the considered judgment of the Committee on Public Works, the authorizing committee, not to touch it. That was the result of those hearings. That the standing committee of legislative jurisdiction rejected it.

Mr. DOMENICI. Mr. President, will the Senator yield on that point?

Mr. CULVER. I should like to finish this point.

We have this situation here: What are the terms of that agreement for two floors with the National Governors' Conference? I bet it is in the $7 range, sight unseen. I do not think the National Governors' Conference is going to get stuck.

It would be interesting to know, under the terms of that lease, who is paying the utility bill. When you have a structure that has a 52-percent glass skin and you have to keep it air-conditioned, it would be interesting to see, under the terms of that lease, whether the owners have agreed to pay for those utilities.

The reason why I think that price has

come down is that, on May 20, we rejected the sale. On May 21, the owners withdrew their sale offer, put up the signs, sent out the ads. Panic. They are trying to get it filled.

Do Senators know how long it takes normally to fill a building of 550,000 net square feet if it cannot be sold to one person? It takes most of these builders 2 or 3 years to fill it. These builders are stuck with a building that was completed in 1975, and they do not have one tenant in it. They are paying carrying charges every month that have to be in the $250,000 to $300,000 range, since they borrowed $26.5 million to construct this building.

This is the most ludicrous aspect of the whole thing. GSA did an appraisal and determined that the costs exceeded the prospectus set by the Congress for SEC.

Moreover, GSA indicated that this whole market in that area is overbuilt. It is a buyer's market. It is not a seller's market. They cited places where you can rent space at $7.27 a square foot and said that anybody who pays more down there is crazy.

Now we come along, walking in, fat, dumb, and happy, and say, "Hi." We are the buyer let them set the price. Think of it. They are saddled with this thing that is costing them a fortune every month, and we are going down there, hat in hand, and we say, "Let us give you a check. We have $39 million, and we will come back later and talk about exactly what is to be included in that check." I believe they will be nice fellows and will let us do it.

These men are professionals. It is their business. We have all the evidence in the world here on the merits of that building and the lack of demonstrated space requirements.

I noted here that the GSA also says that under the law they cannot authorize any Government presence in a building that has more than 35 percent glass skin, which is what I think the Senator said this morning. This building has a 52 percent glass skin.

The reason is the energy loss. Do Senators know what the air-conditioning bill is going to be on that place? When we did not have the energy crisis, the initial cost of electricity was cheap. It is the cheapest thing in the world, and you do not worry about who pays the electricity bill, because you are going to rent it out, and that is where they got caught.

Now, the incredible irony here is that rather than go down there and renegotiate a lease—after all, after you have been paying those kinds of carrying charges for a year, you know, your old headset may change a little. You may be looking at tenants to just cut your losses—we go walking around as if we are getting a big deal, taking this—yes—turkey off their hands.

Mr. DOMENICI. Will the Senator yield to me 10 minutes on his time?

Mr. CULVER. I am glad to yield.

Mr. DOMENICI. Mr. President, I join the Senator from Iowa in opposing the pending amendment. The provision would authorize and appropriate $35.5 million to purchase a building at 400 North Capitol Street. An additional $3.5 million would be appropriated for operation and maintenance during 1977.

The new building would provide enough space to accommodate 4,000 people, using GSA's figures for recommended space per employee. No one in the Senate would disagree that current space is inadequate. Such a vast expansion as that proposed in this bill should not, however, be undertaken without review and planning.

We have already underway the Philip A. Hart Senate Office Building. When all building and renovations are completed, space for Senator's suites will be increased 2½ times and committee space will almost double.

Approval of the Hart Building was not hastily arrived at. The Senate Office Building Commission, the Senate Public Works Committee, the Appropriations Committee and the Rules Committee all reviewed space needs, design and cost of the building.

The new building will provide an increase of 70 percent in overall Senate office space. This increase was supposed to serve the Senate through the end of this century. Now we are being asked to approve in an appropriations bill purchase of a building with almost as much space as the Hart Building.

Last May, the Committee on Public Works considered purchase of the property at 400 North Capitol Street. By a narrow margin the committee voted against purchase and asked the Commission on the Operation of the Senate to look into the merits of acquiring the building.

Mr. President, we have set up this Commission to study Senate operations and future needs. We expect a report from them within 6 months. The Architect of the Capitol is also engaged in devising a master plan for the Capitol area as a whole. Information from this assessment should begin to come out soon.

In the face of an acknowledged need to plan more carefully, we are being asked in this bill to purchase 552,000 square feet for an interim period. We do not know that the space will be needed after 1979. We do not know how we might dispose of the property if it is not needed.

We are told that the space at 400 North Capitol will allow us to demolish office space across from the Dirksen Building in order to construct an underground parking garage. Current estimates of the cost of such a garage is $30 million. I am sure we could all agree that final costs would be even higher.

Mr. President, the garage has not been authorized. There are those of us who will want to study very carefully the need for such a facility, given the impending completion of Metro and the need to encourage greater use of mass transit. To base the need for 400 North Capitol on the construction of a garage which may itself be unwise is, in my opinion, ill-advised. This is one more instance of the need for comprehensive, long-range planning for Senate expansion.

I also point out that 400 North Capitol is in a somewhat inconvenient location for Senate staff working on legislation. It is an 8-minute walk to the nearest entrance of the Dirksen Building and further to the Senate floor. Senate expansion is toward the east—further still—with construction of the Hart Building. While certain operations might well make use of the space without the need to shuttle back and forth, it is difficult to conceive of filling the entire building with employees so remotely connected to daily Senate operations.

Mr. President, purchase of the vast new facility at 400 North Capitol at this time is ill-conceived. It contemplates spending $35.5 million to acquire the property, $3.5 million in operating costs, and predisposes the Senate to approve a minimum of $30 million for a new parking garage.

These actions should not be taken without proper long-range planning and review which are currently underway. I urge my colleagues' support for the amendment to strike these appropriations.

I commend the distinguished Senator from Iowa for his opposition to the purchase of the building and I want to spend a few minutes reviewing my involvement and what I think today about this.

First of all, I think we should make it very clear on the record that not only did the Senate Committee on Public Works recommend that we not purchase this building——

Mr. SCHWEIKER. Will the Senator yield to say how much the vote was on that?

Mr. DOMENICI. I am delighted to state that.

Mr. SCHWEIKER. I hope somebody will put it in the RECORD.

Mr. DOMENICI. The vote recommending that we not purchase it was 7 to 6. It was a one-vote margin. But let me state for the record what the proposal before us was.

Today, we are being asked to buy this building for $35.5 million. I say to my colleagues that the Senate Committee on Public Works recommended against buying it for $31.5 million—a $4 million difference at the outset. Under the proposal submitted to the Committee on Public Works, the owners were to spend $3 million improving that building for our occupancy or, at our option, we were to buy it for $28.5 million and pay for improvements after purchase. That is, in a very few months, we are adding $4 million to the price of a building which is not increasing in value and, unless the current owners spend $3 million in tenant improvements the increase could amount to $7 million more than we considered just 2 or 3 months ago. That is almost a 25-percent increase.

I do not think this is a good proposition for the U.S. Senate as an institution. I have a genuine concern for this institution after 3½ years here. Some people may think Senators should be committed only to their States. I frequently say at least part of my efforts ought to be committed to making this institution work. So every now and then, I ask, what should I be doing as a Senator to make this body work better for our people?

I honestly believe that with reference to managing our space, the U.S. Senate has for years had no system of setting priorities or determining needs. A multiplicity of committees have jurisdiction over these determinations. We are confronted today, as an institution, with a need. I say it is more than a need; it is two needs. One need is, perhaps, over the long run, for substantially more space. But the other need is to manage our own affairs better, including the utilization of space—how much we need and who ought to occupy it.

I submit to my colleagues that if we respond emotionally to an acknowledged need by going down the street and buying a vacant building of 552,000 square feet, what we have done is deny this institution an opportunity in the immediate future to do a better job of fixing up and managing what we have.

What we have done is say that for another 10 years we have taken care of everything by spending $35 million. We will leave it to 20-year-from-now Senators to worry about filling or disposing of the building and will have given absolutely no consideration to how we ought to manage existing buildings.

Mr. CULVER. Will the Senator yield on that point?

Mr. DOMENICI. I am glad to yield.

Mr. CULVER. Mr. President, I think the Senator has put his finger right on it. You know, it is an actual, tragic fact, but true, that today, in the U.S. Senate, we do not have a space inventory at all. The Architect of the Capitol does not know what space we have and what function and activity is going on in that space. We do not know that.

Unless and until we know that, the Senator from New Mexico is absolutely correct that what we are saying to the U.S. taxpayer is, "Continue to subsidize our irrational sprawl, because we are not competent in a minimal way to get our house in order." It has been topsy-turvy growth.

One interesting illustration: The House of Representatives, in the Commission on Facilities that has been established and working this past year, has been going around and making such an inventory on the House of Representatives side of the Capitol. Do you know what they found? They have maps over there of the House of Representatives, on the Capitol side. They have a total of 100,000 net square feet over there. They have determined that if they cleared out of there all the nonlegislative activities that are not justifiable in terms of the need for close proximity to the Chamber, they would free up, overnight, 26,000 square feet of clean, new space for Members' use.

It is true, we have this short-term crunch. But we also have the Monocle block and we have the Dirksen extension coming on line in 1979, and hopefully, this temporary Commission on the Senate will make relevant recommendations. The master plan has got to do these simple, minimal things in terms of space and function and relationship to the real activities of this body.

I thank the Senator for yielding.

Mr. DOMENICI. Let me continue and say that we are evaluating all kinds of Federal programs for others and saying, "They are too fat, they have not been very effective, now is the time to cut back, to take a look at them." We are telling our American people that we have to go through a period of hard times for better times.

Yet we are here today considering spending $39 million, knowing full well that, right down the line, in about 2½ years, we are going to have a brandnew building, which we planned for in some detail and which will add about two and half times the committee and Senate space to what we have now. We ought to be planning for its occupancy. We ought to be planning for an interim type of renovation of our present space, planning for us to occupy that new one in an orderly manner. There is no one around this institution who is not willing to sacrifice with regard to the difficult space problem we have, if he just knows that we are going to solve the problem eventually.

We are not prima donnas. We do not need three new buildings. We are glad to get a brandnew Hart Building that is going to give us tremendous flexibility. Our planning in the interim should not involve buying a $35 million building with 552,000 square feet; a building that is five or six blocks from here; one which will eventually be usable only for staff that is not needed on a day-to-day basis by the Senate, because, certainly, when the Hart Building is finished, all of those staff members will be in the Russell, Dirksen, or Hart Buildings.

It just does not seem to me that we are approaching the present demand needs in a logical manner when we go out and propose to buy this kind of building, when with less than the operating and maintenance that is required for it we could lease enough space for the 5 or 6 years that we need to move into the Hart Building.

Mr. CULVER. Mr. President, will the Senator yield on my time?

Mr. DOMENICI. I yield.

Mr. CULVER. I think he has touched on another point. We hear a lot of talk about the way the explosion of the Senate staff grows, and it is certainly true we have seen an enormous increase in the number——

The PRESIDING OFFICER (Mr. BROCK). The 10 minutes of the Senator from New Mexico have expired.

Mr. CULVER. I yield myself whatever time I might require.

We have seen an enormous explosive increase in the staff in the Government; we have seen it in Congress, and I think it is important to look more carefully at these numbers.

In the Senate right now the total payroll is a little over 6,000 employees. We have had a dramatic increase in the last year or so of 600 employees. We have gone over the 6,000 mark.

Now, everybody is saying that all we do when we even speculate about our future space requirements is to just make a naked linear extrapolation, geometrically extended, and concluded that we are going to need all this additional space to house this additional growth. It would be like cancer cells, nothing organic about it.

It is important to look at the 6,000 figure. I submit it is wrong to think simplistically in terms of this kind of linear extrapolation for the future. Why? We have had, it is true, some institutional changes of a relatively short-term duration. We have recently created the Office of Technology Assessment; we have recently created the Congressional Budget Office; we have recently created the temporary Commission—temporary Commission—on the Operation of the Senate that goes out of business January 1; and we had Senate Resolution 60 that gave everybody another staff assistant for their committee staffs.

I submit that that is rather a short-term, concentrated situation.

We have also commissioned the Stevenson Committee on Committees to examine whether or not the mindless proliferation of committees and subcommittees makes any sense for the future.

One of the options now pending before that committee is to take a meat ax and get this thing down to size so you have got a jurisdictional scale and perspective that, at the same time, is comprehensive and not redundant, and minimize the overlap and inefficiency of the innumerable committees we have.

So this thing is not static, it is dynamic. You cannot just automatically extrapolate from the recent history of the last 12 months what those future plans are going to be. What we desperately need in this place is someone with a little more sophisticated approach to space, function, personnel, activities, and so on. That is one of the reasons we have a Capitol master plan; it is one of the reasons that I think the Temporary Commission on the Operation of the Senate is coming forward with some guidelines for us on the kind of studies we do need to achieve this.

There is a lot of magic attributed to this ratio of 100 square feet per body and we are down, it is true, to 65 square feet in some of our Senate offices.

When we get Dirksen built, it is going to mean a change in each Senator's suite size from 2,100 square feet right now to 5,200 square feet—2½ times as much space.

One of our big problems today is that we are sitting here with this proposal. We have an Architect of the Capitol who has commissioned one of the most prestigious firms in the country to do this comprehensive study for a Capitol master plan, and while awaiting the results of that, we are talking about buying a building that is twice as big as the Russell Building. That is just absolutely mind-boggling. Why bother to plan? You are buying something in one shot that is going to put all your plans into a cocked hat anyway.

Mr. WILLIAM L. SCOTT. Mr. President, will the Senator yield?

Mr. CULVER. Not yet. When I finish this one point.

That is what this Temporary Commission is going to do.

Right now that is our problem. We have an Architect of the Capitol sitting over there responding to these pressures and requests for space.

We have a Rules Committee with a piece of the action; we have an Appropriations Committee with a piece of the action; we have a legislative subcommittee of that committee; we have the Senate Committee on Public Works; we have a thing called the Senate Building Commission. I do not say it disrespecfully, but that is just another actor in that incredible parade of players.

Now, it is no wonder when you go and try to make rational decisions about what space we need and what we should buy it for, we do not have the professional expertise and judgment on exactly what we need and why we need it. And unless and until we get that thing cleaned up, we are going to face, as we are facing here, this kind of incredible situation where we are committing ourselves to a fourth Senate office building. Make no mistake about it. I do not think the average Senator is aware of what we are doing. Somebody comes up to the average Senator and says, "You know, don't you, of the need for space?" "Yes." "How about buying a building? There will be all kinds of space." "OK, sure, we are crowded."

I do not blame them. Of course, they are crowded, but if we cleaned out some of the dry rot around here in some of these buildings, and put people in those places in activities and functions that made some semblance of rational sense, we would have room for our secretaries. It is our fault. It is our fault that we have had this cancerous growth. It is nobody's fault but our own that we have tolerated this kind of administrative mishmash and overlap and conflicting jurisdiction and authorities.

But what happens? Typically everybody gets a piece of the action, and it ends up in a mess on the floor, and we go out to the poor American taxpayer and say, "How about coughing up another $40 million because we can get a space inventory around here," which we could do with a couple of summer interns, properly supervised. So we just cannot get our house in order enough to do it. So we say, "Let us keep subsidizing this irrational sprawl, cater to our own incompetence." That is what it means. Seriously, I do not mean that as a reflection on the distinguished Senator from South Carolina or his subcommittee, but the simple fact remains—and he makes reference to these hearings—that at not one of these hearings have we had any outside expertise. We have not had Cabot, Cabot and Forbes or some other professionals come down here, and pay them a few hundred dollars for 2 days to go through that building, and ask, "Does that make sense?" At least, they will ask us, "What do we want it for?" at least they will raise the right questions.

This hearing record is replete with "We do not have a plan for that."

Let us be honest about it then, throw in the parking garage, have a $70 million pig-in-a-poke pending, and we will vote that up or down. We have not even decided on a parking garage. All we have are vague suggestions such as, "We may build a parking garage some day, so let us buy the lot," or "we need a space reservoir, a pool."

I can see where it is convenient for an architect as a constructional matter to just vacate the Capitol while they hang pictures, but that does not have to be the case.

There are not even any plans for modifying the Russell Building.

But there is no demonstrated need. The only identifiable need for space, in spite of this mess we are in, is that we have a few people from OTA that need a spot to rest until mid-1979. And we have to put a second computer in. Figures for computer space needs are 38,000 square feet. Fine. The expense of building a fancy computer center in the Dirksen extension is a big one. And over here we have the equivalent of Howard Hughes buying a whole hotel so he can stay in the penthouse alone.

The computer will be put in a mausoleum.

Two years later, after we have paid all that cost for putting in all the special air conditioning, they will come back and say, "We've got to be back in the Dirksen extension, we'll move it all back, forget the cost."

If somebody really looked at that, they ought to move that computer out of town. What do we need it here for, anyway?

That is the kind of judgment decision on space allocation we should be making. What do we need the folding room for? Put it where it belongs, truck that stuff, make some sense, and we would have space to perform needed operations, and far more efficiency.

I reserve the remainder of my time.

Mr. WILLIAM L. SCOTT. Mr. President, I appreciate the Senator yielding.

Mr. CULVER. Before the Senator proceeds, will the Chair be kind enough to tell me how much time I have remaining?

The PRESIDING OFFICER (Mr. BROCK). The Senator has 7 minutes remaining.

Mr. CULVER. I yield the Senator 2 minutes.

Mr. WILLIAM L. SCOTT. I appreciate the Senator yielding and will not even take the 2 minutes.

I have listened to the discussion here and, in general, I am sympathetic with the various statements that have been made by the distinguished Senator.

I just wonder if consideration has been given as to the question of price of acquiring this property, if it is needed, in fee through eminent domain, rather than to pay the price that the Senator from New Mexico indicated was grossly excessive.

I heard him speak of $28 million and $31 million and $35 million.

But that is the purpose of having eminent domain proceedings and title can be acquired immediately through the declaration of taking act.

It is something that perhaps should be considered.

Then I heard the doubt expressed that perhaps we only needed it temporarily. I know oftentimes we speak of needing things temporarily, and temporarily means perpetually.

But we could, if we wanted to acquire the right to use and occupy this property for a term of years, with the right to renew it for such period of time as we might want to renew it. I wonder, in the statement that the floor leader will undoubtedly make before this matter is concluded, if he might indicate what consideration has been taken to have the compensation, the fair market value, determined by a court proceeding, and whether consideration has been given to taking the property for a term of years with the right to renew for such time as may be necessary.

It seemed to me that might be a prudent approach in view of the controversy that is quite evident by the discussion here on the floor.

Mr. President, I yield back whatever time I have remaining of the 2 minutes.

The PRESIDING OFFICER. Who yields time?

Mr. HOLLINGS. Mr. President, how much time do both sides have remaining?

The PRESIDING OFFICER. The Senator from South Carolina has 33 minutes. The Senator from Iowa has 5 minutes.

Mr. HOLLINGS. Mr. President, if we could have more questions like the distinguished Senator from Virginia just propounded, maybe we would get to some good common sense, rather than histrionics.

I have heard all of this malarky about Howard Hughes staying in the penthouse with a pet computer, about fat, dumb, and happy Members giving out a check for $39 million.

I never heard such nonsense. All we have to do is look, Mr. President, at that page 35.

These hit-and-run drivers, if they would only stay on the floor and listen to the facts and read the report, they would find out immediately exactly what the Senator is asking for on page 35. It is discussed at length.

But let us look at the bill. It does not say, "Fat, dumb, and happy, run down and give away money."

It says, "to authorize and enable."

We did not put in there "direct." We just said "enable the Architect of the Capitol under the direction of the Senate Office Building Commission to acquire on behalf of the United States "this particular building" by purchase, condemnation, transfer or otherwise."

Then further down, "Provided further that any proceeding in condemnation brought under this paragraph shall be conducted in accordance with the act of December 23, 1963."

So, yes, the answer is fair market value. Nobody is trying to give this money away, nor is there any kind of deal with a pet computer, sitting in a penthouse with a glass wall around it and a high electric bill, and all that wonderful, descriptive malarky that my distinguished colleague puts out here.

The way that the Architect proceeds is under Federal law, the Uniform Relocation and Land Acquisition Policies Act

of 1970. He will have one or more disinterested third parties appraise the property and determine a fair market value. If the owners and the Congress do not agree, they can go to court if they want to.

But that is the exact procedure.

Now, the procedure he just wraps up quickly because he is a fast-moving target. We have to grab him quickly, but he has, "you get one, I get one." That is it, we agree, and we will be fat, dumb, and happy, he says.

Well, let us give a check for $39 million.

The truth is, under the testimony of his own subcommittee—not Cabot, Cabot, and Rabbit, Rabbit, and the other kind of people he found over Labor Day—we have been studying it. He should have brought it before the committee if he was concerned about it. It was a matter of hearing since April. We had it last December, we had it in June 1975, outside appraisals, the GSA appraisal.

It is signed right here. We do not need Cabot, Cabot, and Rabbit, Rabbits.

Richard E. Kane, the staff appraiser; Michael Natchuras, realty appraiser, PBS. That sounds good to me.

They have been looking over the building. But I can say right now, the breakdown under the testimony was the market value of the building, as is, at $28.5 million.

If the Senator from Virginia wants to add it up—and some Senators on that side have now talked and left—if they want to find out the next $3 million increment, it is on page 37, in the Public Works hearing billed 400 North Capitol Street, it says. On that page is GSA's estimated cost of tenant improvements.

He went over on Labor Day, did not find a rug on the floor, but found a glass on the wall, touched it, and you know what? On Labor Day, he said, it was hot.

Is that not remarkable? An empty building on Labor Day with the sun on the glass.

Mr. CULVER. Will the Senator yield?

Mr. HOLLINGS. I will not yield.

Mr. CULVER. Just on my time?

Mr. HOLLINGS. No, it is on my time. I am not yielding. I want to get through this thought.

We are going down the exact course, rather than giving $39 million, fat, dumb, and happy. The Senator from Iowa is saying, "Please let us give you a check for $39 million and we will talk about the terms later."

That would be stupidity. Everyone knows that.

So the $3 million added to the $28.5 million is $31.5 million. That is what we use right now as a fair market value.

Now, with the additional alterations, in order to put that building in shape with the smaller rooms used for Senate offices and the like, it would cost $3.5 million. That is where they got the $31.5 and the $3.5, and that is where they got the $35 million.

They say we picked it out of clean air. "Where did they get the $35 million? We do not know where they got it. We do not know." We are just trying to give them a little old figure.

We added the $500,000. I do not care what is finally decided on this. There is definitely a need for space for the computer, and the special alterations will cost that much. This includes beefed up electrical air-conditioning and the special raised floors to put the conduits underneath. We studied all of those things.

Do they want to know how the building grows, Mr. President, this cancerous growth, not rational growth, this mindless proliferation? I will tell exactly how it grows, if they will call me fat, dumb, and happy.

Here is a letter to the Senator from Iowa signed by Senator HOWARD CANNON, as chairman of the Committee on Rules and Administration, dated August 26, 1976:

> DEAR JOHN: This will acknowledge your letter of August 16 requesting additional office space for your personal secretarial use. I appreciate the need of all Senators for additional space, and, as space becomes available, we try to meet those needs.
>
> Pursuant to the authority delegated to me as the chairman of the Committee on Rules and Administration, effective immediately you are hereby assigned Rooms 500–A, 500–B, and 500–C in the Senate Courts, 100 C Street, N.E.

So the Senator is going into the fourth Senate Office Building. The Senator got it in a letter just 2 weeks ago.

Mr. CULVER. Will the Senator yield?

Mr. HOLLINGS. No.

I will give it plain. I come from a State of a similar size as the Senator from Iowa. Every Senator knows if I ask for extra space, as the State of Iowa has asked, and everyone else does we have 300 new rooms, that might be cancerous proliferation, cancerous growth, mindless proliferation, and all the rest. But that is not what happens.

If we had all the planning agencies in the world, they would never have said, "You will have a Watergate committee to house in the future."

If there had been a planner, Cabot, Cabot, Rabbit & Rabbit, and if they had said "We will look futuristically to the needs of the U.S. Senate and what you will need will be a Watergate committee to clean up the executive department," we would have run them out of town. If they had come with Cabot, Cabot, Rabbit & Rabbit, and said, "Now we have looked and you will need an intelligence committee because they are breaking into everybody's home in America," Senators would have said to get rid of the planners, that they were crazy.

No one could have foreseen the Church Intelligence Committee.

We can go right down the list. It is the nature of the beast. We in the Senate work on these things. We have hearings. We discuss these matters. We measure them up. We try to answer up to the needs of particular colleagues and particular events. Then they say that we just come around fat, dumb, and happy, that nobody plans. They all think Government started because they have gotten elected. Government started long before my election and their election, both. And we are walking around like we are getting a big deal?

Mr. CULVER. The Senator has been here exactly the same length of time as I, about 12 years each.

Mr. HOLLINGS. And the Senator says, "We are walking around like we are getting a big deal taking this turkey off their hands."

Mr. President, we know how it goes and the testimony is different than what the Senator has given. What did the Architect say? What did the testimony show in the public hearings before the Public Works Committee? I refer to the hearings again rather than to say, "They have all of that space," as I know it is in my hearings several times.

I refer to page 22. Dr. White, the Architect, said, "If the Dirksen extension were to be available tomorrow by virtue of some miracle—the new extension would be full as of the time of its completion tomorrow."

That is starting point No. 1. If we had the Hart Annex built, the solid testimony is that we could fill that up immediately. Well, it will be mid-1979 before we get it at the earliest. That will be another 3 years and perhaps a little more, because the Architect has indicated that is an optimistic schedule.

Then the testimony is, and there are plans, and there has been testimony, to upgrade the Russell Building. Everybody will have one singular joined office in the sense that there will not be a big hall with everybody running down one way. If we tried to give a Senator in the Russell Building the same space as in the Hart annex, we would have to run them all the way around the hall. The Senator would be in one room and he would have to track his way around.

We have had hearings and that has to be redesigned to give them complementary type office space, all Senators, as Senator MANSFIELD said, being equal. That will take another 3 to 4 years. So while that is being done, the Senators so dislocated must have space elsewhere.

We know about trying to move everybody out. If we moved them out of the garage on block 724 at 400 North Capitol immediately we could use 400 North Capitol. By the rent we would have to pay for the computer and all the other offices, in trying to move this along on the one hand, we would be paying 98 percent of the cost, and on the other hand, if we could move up that garage we would save another $8 million on the inflation. That is the testimony on the hearing record.

We have a hearing record and work and then are called fat, dumb, and happy, that we just thought up something, come around and worked a slick deal to buy a turkey from a sharp group of businessmen. Why?

The distinguished Senator does not trust the Governors' Conference; he does not trust his subcommittee, his full committee; he does not trust the Architect; he does not trust the GSA.

Then we bring out a letter to show that the Governors' Conference is ready to go in immediately. That is what the letter says. It does not say "may" or anything like that. They are ready. They say they have made the decision and that they expect "construction of our new space at 444 North Capitol to begin immediately." It is not what the Governor said on the telephone, but the chairman

of the National Conference from the State of Idaho who said that they are ready to move in. They would just like to do business with us or whoever is the landlord.

Speaking of being the landlord, that is right, I do not like it. I think we ought to try to resist it. But as between the balancing of equities, evils, needs, and priorities, we look around and we find right now under that block 724 what are we? A landlord. We rent a restaurant. If you want to go to a restaurant where we are the landlord, go to the Monocle and get euphoric over there and enjoy yourself, after you get your kicks here in the Senate Chamber. We are the landlord there.

We just had a colloquy here a couple of hours ago with the distinguished Senator from Ohio about sleeping in trailers. Several of the Senators found in covering their States that they could use a trailer to go around and do the job better and be in direct contact. We did not want them as recreational vehicles ending up on Coney Island or Hilton Head with all the kids in the family, and someone ending up saying, "You have another scandal."

A Senator is supposed to have an office.

The Senator from Ohio is conscientious. He is a mature man with mature judgment.

I have bought and sold a hundred buildings in my day, either as Governor of South Carolina or in other positions I have held. We are making good judgment decisions to authorize, and not fat, dumb, and happy.

Yes, we can condemn it, that is the answer to the question of the Senator from Virginia, if we want to do that. We are not going to be held up.

Every factor that has been brought out by the Senator from Iowa about the cost, about the electricity, the glass building, and everything else like that, like what is behind those doors, now listen, there is the kicker, here is the thing, look at the bottom line, look at the small print—the whole atmosphere created by the distinguished Senator is one of suspicion, that we are wheeling and dealing trying to get rid of a building and no one is looking out for the public, as he says. I do not know how it gets in here.

That is exactly, Mr. President, why we present the amendment, to look out for the public. We do not think it is smart business sense to take the owners of that building out of their dilemma, and they are in one, and pay off their mortgage payments with high rentals, which we do not like. We rejected that high rental. That is why we moved to acquisition.

The average has been 310 employees a year. That is like trying to keep down the GAO. If GAO had been given the particular officers and investigators that this Senator has been hearing about, they would have about 10,000 people. We have right now about 5,200. It is hard to hold them down. We had the FPA; that was a little office of price control. That is 2,600 separate monsters, right there.

Yes, we take exception when the Senator comes in and implies that we are fat, dumb, and happy, "Please let us give you a check for $39,000,000," and so on, when that is not in the bill.

The committee amendment would permit them to negotiate and, if you please, condemn, or what you like. The figures were not just taken out of the air to have a little kicker here or a little kicker there.

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 17 minutes remaining.

Mr. HOLLINGS. I yield some time now to my distinguished colleague from Pennsylvania.

Mr. SCHWEIKER. I thank the distinguished Senator, and I would like to take the opportunity to answer now some questions that were raised in the preceding debate, that we were not given opportunity to answer, because the record ought to be made straight.

First of all, this was a 6-to-7 decision in the Public Works Committee, and for it to be presented to this body as an open and shut case is not a fair representation. Their own committee was divided 6 to 7; so this idea that we have a completely unassailable position, and there is no give or take, or no way to see it in any other light, does not even jibe with the judgment of their own committee, taken by a 6-to-7 vote.

So I think we ought to clear the record, and show that their committee was nearly split right down the middle on whether or not this was a good thing to do. This idea that anyone in his right mind would not think twice about buying this turkey, or whatever, was completely erroneous, because they could not even convince six members of their own committee.

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

Mr. SCHWEIKER. I will treat the Senator the same way he treated me, which is no.

Mr. McCLURE. I did not treat the Senator that way. I did not have time to yield.

Mr. SCHWEIKER. Very well; I yield to the Senator from Idaho.

Mr. McCLURE. I thank the Senator. I was one of those who voted on the losing side in the subcommittee. I was one of the six. I was convinced that the lease we were considering was wrong, because it was for more than had been rejected by GSA. Then they came back with the original offer, and eventually got down to a $28.5 million price.

At that point I was persuaded, somewhat reluctantly persuaded, to vote in favor of it. Now we are asked to vote for something that is 25 percent more. That is more than I can swallow, so at this figure the vote would not have been 7 to 6, I will say to the Senator from Pennsylvania.

Mr. SCHWEIKER. Well, to come back to the truth of the situation, they were one vote apart; and no matter how the Senator would vote in retrospect or prospect before or after, the difference is one vote.

The distinguished Senator from Iowa has kept asking, "Where is the space request for this area?"

I think my good chairman did not happen to be aware where some of the space requests are, since he cited the Senator from Iowa's personal space requests. I am not critical of that; I think he made a legitimate request for that space, but so have 90-some other Senators, and that is why we are in this space bind, because Senators like the Senator from Iowa have made requests for more space.

So to say there is no need for space, or no space problem or no space shortage, is completely to bury our heads in the sand. I would like at this point to cite some figures.

The average Senate employee has 60 to 65 square feet of space, on the average, in which he has to live. That is a standard that we do not accept anywhere else in Government. The GSA has set up a standard of about 100 square feet per person, and I understand that business and private enterprise averages about 120 square feet per person.

So here we are, with 65 square feet per person for our own employees. We push them and shove them and squeeze them, and now here we are saying we have no space problem and no space shortage. The facts tell otherwise: 65 square feet for our own employees, while GSA, for all other branches of Government, uses a standard of 100 square feet per person, and business and the private sector talk about 120 square feet. So to say there is no space problem on the Hill is to deny the facts of life for the last 4 or 5 or 10 years.

One other fact about growth over the last 3 years: The June 30 payroll of the Senate has grown from 4,900 to 6,600 employees, an average increase of 340 per year. That is the history of what we have done in recent years.

These gentlemen have not shown us where this history is going to be changed. Are they going to reverse the tide by reversing the flow? Are we going to banish people from the Hill? Are we going to excommunicate them? What are we going to do with the flood of people who keep coming to Capitol Hill so the Senate can do its business?

The fact is that we are going to increase. We have coming before the Senate a sunset bill. I happen to be for the sunset bill; it is what we have long needed here to oversee the vast increases in the executive branch of the Government. Oversight is our responsibility. But we are deceiving ourselves if we think we can do it without people. It is going to take some people to accomplish this oversight responsibility.

The sunset bill says that all Federal programs automatically terminate in 5 years. I support that concept. But to think we can do it with no people is, again, to bury our heads in the sand, and to pretend that we do not really have only 65 square feet per person, but that we have 160 square feet per person.

The significance that would have for the growth of the Senate and the growth of the House are facts of life, and noth-

ing the Senators have said, in good faith, shows it is going to be reversed, changed, or diminished in any way.

Next, the point has been made that we really do not have the requests for this building coming up. Aside from individual requests of Senators—and I might say the Senator from Iowa has done better than I, because I made a request for space and did not even receive an answer. So he is better off than I have been, because my request is still outstanding. I commend him for his exercise of something in getting the space, because I still do not have the space I requested.

But aside from Senators who have requests pending, the computer center, we know, needs 38,000 square feet. The Office of Technological Assessment needs 68,000 square feet. If we take the space from square 724, right next door to the Dirksen Office Building, which includes the block where the Carroll Arms Hotel is, if we move that out early, we have 160,000 square feet of the space we need.

Why move it out early? To save money. The Architect of the Capitol says we can save $8 million or $10 million if we proceed at once.

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

Mr. SCHWEIKER. No, I will do what the Senator did to me; I will try to keep the record on my side only, and not on his side, because he is unwilling to yield to me.

I want to say that the underground garage there, we can save $8 million or $10 million if we build it now, so there is a darn good reason for putting 160,000 square feet of space in that building, because we can save $8 or $10 million over there in square 724.

In addition, we have the Congressional Budget Office. It is interesting to see what has happened to the Congressional Budget Office. The only place we could find originally was over in the old FBI building, over on the House side. But what has happened now? The House has decided it wants the space, and they are kicking us out. That is the fact of life around here: growth, growth, growth. We are being kicked out of the House side because they want the old FBI building for themselves, so there is another 340,000 square feet. So that totals about 75 percent of the building to be occupied right now, without even making a survey of the Senators who have been denied space.

So, basically, I think these are things as to which we have to face up. To say there is no space problem, the Dirksen extension is going to solve it, we do not look ahead, and we should not in our right mind consider this I think is to deny the facts of life.

I shall simply summarize the advantage of this property as follows: No. 1, we have a known quantity in terms of a building without cost overruns; No. 2, we are not impinging on the environment of Capitol Hill and we are not ruining the parks, grass, or anything else; No. 3, we are not bringing in an asphalt parking lot, because it has its own parking space; No. 4, we are building 4 or 5 years ahead of time so our savings are 30 to 40 percent in construction cost; No. 5, we are paying for the building in 8 years by rental alone, so once we get through the 8-year cycle it is paid for and we will be saving money every 8 years. So there are all kinds of reasons why we ought to buy that building. And No. 6, the building is less in square footage cost than is the Dirksen Office Building. The private sector built it cheaper than the Federal Government did and that is another reason to buy the building.

Mr. President, I thank the Senator for yielding me time.

Mr. HOLLINGS. I thank the distinguished Senator.

How many minutes do I have remaining?

The PRESIDING OFFICER (Mr. RANDOLPH). The Senator has 4 minutes remaining.

Mr. HOLLINGS. I yield 2 minutes to the distinguished Senator from North Carolina.

Mr. MORGAN. Mr. President, I do not know how much I can say in 2 minutes except I do urge my colleagues to vote for this amendment or vote for the committee position to buy the building.

I was chairman of the Subcommittee on Buildings and Grounds and we built this record. I think in a way that supports our actions.

Mr. CULVER. Mr. President, will the Senator yield on my time?

Mr. MORGAN. I will not yield on my time. I will yield on the Senator's time, yes.

Mr. CULVER. I wonder which committee position he is urging the Senate to support: the position of the Committee on Public Works, which is the legislative committee of authorization, that rejected this proposal, or the position of the Committee on Appropriations now in a highly irregular way that is before us, with the same thing once having the authorization committee consider it and reject it. Which committee position, the Committee on Public Works or the Committee on Appropriations?

Mr. MORGAN. Answering on his time, Mr. President, I do not accept his premise, first of all, that this is a highly irregular manner in which to handle it. I supported the purchase of this building in the Committee on Public Works, and I support it now. I support it because I believe——

Mr. CULVER. Mr. President, I do not yield any more on my time.

Mr. MORGAN. All right.

Mr. CULVER. I asked questions on my time.

Mr. MORGAN. Mr. President, I urge the support of the purchase of this building. There are hundreds of staff personnel in the Senate making $35,000 or $39,000 a year, working in a combination of spaces in which people simply cannot work on complex problems. We say the Government has grown. Of course it has grown. When I was born, there were only 123 million people in this country. Today there are 205 million. This country is basically run by the legislative staffs of the Members of the Senate and the Members of the House of Representatives. We ought to have the best staffs available that we can find anywhere because they are the ones who give us advice as to how to vote and then we vote based upon their recommendations.

They cannot work in these cramped quarters, and I simply do not believe that the people of this country would begrudge us the purchase of this building.

Mr. President, I say here and now, as chairman of the Subcommittee on Buildings and Grounds, that this building was constructed by the private sector of the economy at about half the cost per square foot for which GSA builds them. I do not have the exact figures, but it is in that neighborhood. I think it is something that the Senate ought to do.

I thank the Chair.

Mr. CULVER. Mr. President, how much time does the Senator from Iowa have remaining?

The PRESIDING OFFICER. The Senator from Iowa is recognized for 4 minutes.

Mr. CULVER. Before I begin on my time, a parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. CULVER. How much time remains on the other side?

The PRESIDING OFFICER. Three minutes are remaining to the manager of the bill, Senator HOLLINGS.

Mr. CULVER. I yield myself 1 minute.

Mr. President, the important point I think we ought to lay to rest is that the private sector built this building for one-half the cost the public sector builds it. I can build a building for one-half a cent a square foot or I can build a building for $50 a square foot. What is the point? The point is what are the exact specifications for which we are building? If we are building for a 20- to 30-year life a highly speculative commercial building, where the builder builds it cheap, take his writeoff and dumps it, his cost per square foot better be down there. This is a commercial building, a highly speculative building. GSA so named it. But if we are building a monument, building by AIA classification and we are talking about a 100-year life, we cannot do it for 31 bucks a square foot unless we are putting in papier-mache.

That is just nonsense. All this glorification of the private sector is ridiculous. Tell them they have to build a 100-year life building to these specs, and it is going to cost them through the nose because they cannot build it cheaply. But if we are building a building to peddle, a builder better be cheap going in if he is going to make a profit coming out. And that is the difference in price.

I reserve the remainder of my time and will be glad to yield to the distinguished Senator from Idaho.

Mr. McCLURE. No, not at the time.

Mr. CULVER. I reserve the remainder of my time.

The PRESIDING OFFICER (Mr. MORGAN). Who yields time?

Mr. HOLLINGS. Mr. President, do I have 3 minutes remaining?

The PRESIDING OFFICER. Yes.

Mr. HOLLINGS. Mr. President, I ask

for the yeas and nays on the committee amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HOLLINGS. Mr. President, we have been on this particular subject now for a year-and-a-half. The committee beginning in June 1975 started looking at the space available at the request for the Office of Technology Assessment and other offices. It has been looked over by two other hearings—one by the Public Works Committee and another by the Appropriations Subcommittee on the Legislative Branch Affairs. Those hearings have been held in conjunction with I guess two dozen other hearings with respect to the Capitol Building, the Dirksen extension, or now the Hart Annex, the Visitors Center, and all the other buildings and space needs we have had.

We have been told that it has been found as a sound investment by GSA. It has been recommended by Dr. White, the Architect, who is in charge of the master plan for the Capitol. And who says we would have to spend at least half again the amount of money in order to reconstruct it.

Then to come up now and talk about being fat, dumb, happy, we do not know where we got the figures, we just want to throw a figure together, and everything else, is purely nonsense.

What we are trying to do is give the authority under the budget, and this was discussed in the Budget Committee, too, and approved by the Senate in the first concurrent resolution. We put this amount in to give the authority to the chairman of the Senate Building Commission together with the Architect to negotiate and thereafter condemn if they please or not. We did not direct them to make it mandatory because we want them to get a good deal for the Senate.

I retain the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. McCLURE. Mr. President, will the Senator from Iowa yield 1 minute?

Mr. CULVER. I am happy to yield to the Senator from Idaho 1 minute.

Mr. McCLURE. I thank the Senator for yielding this time.

I listened to the debate with a great deal of interest. I have not been in and out, as the Senator has indicated. I am interested in the space needs for the Senate, and I recognize that we will have some expanding space needs as we have now.

But the question that I have relates to the planning for that need and meeting the plan and not just simply buying some available space because we think we might need it. But more importantly than that, there is a price attached to this need. The most recent action by the appropriate authorizing committee was the one which looked at all the prior testimony, all the prior hearings, and after looking at that turned down by a very close vote, as the Senator from Pennsylvania pointed out, but nevertheless turned down the proposition of buying this at $28.5 million.

The Senator from South Carolina made some reference to tentative improvements. I will refer him to the committee report, page 37, of that committee report in which that $3 million of tentative improvements did not include floor coverings. That would be above that. It did not include it. So I think that in spite of the fact that there is need, and I think we ought to meet it, there is a temporary crunch between now and the time the Dirksen extension is completed and the time that the Russell Building is renovated. That will run some 3 to 6 years, I suspect. That period of time needs to be covered. But it does not need to be covered by an exorbitant expense, which I believe this is. Sure, this is a ceiling. It is an authorization. But the history of the negotiations tells me that at every stage that the previous offer has been turned down, the price has gone up.

I suggest that if we pass this measure at this time, we will not see a price negotiated lower than the ceiling set in this appropriations measure. I suspect that if anybody really wants to dig into what really went on and why, when this is all done, there will be a great many red faces in the Senate of the United States concerning the action that might be taken here today.

The PRESIDING OFFICER. Who yields time?

Mr. CULVER. Mr. President, I suggest that absence of a quorum.

Mr. HOLLINGS. Mr. President, I should like to answer the last comment, and I will be ready to vote. Do I have a minute and a half?

The PRESIDING OFFICER. The Senator has a minute. The Senator from Iowa has 2 minutes.

Mr. HOLLINGS. Mr. President, with respect to red faces and "slipping around," and, as the Senator from Iowa says, "greasing a few skids," "running it by them," "unload this turkey," "fat, dumb and happy," "running with $39 million," we started last year on this floor, with the Senator from Idaho. I said that I want everything above board with the GAO and GSA, with his subcommittee, with the Committee on Public Works, the Architect of the Capitol, the Appropriations Committee, and the Rules Committee. We were looking at this thing, and everything has been open and above board.

The PRESIDING OFFICER. All the time of the Senator has expired.

The Senator from Iowa has 2 minutes.

Mr. CULVER. Mr. President, I should like to use my remaining time to make a prediction, and that prediction is simply this: "If this afternoon the U.S. Senate approves the appropriation of $39 million for this purpose, included in this appropriations bill, it will soon—not long, soon, like immediate—prove to be one of the greatest follies in the history of this Congress. We are going to have a white elephant over there, enormous cost overruns. It is going to be the C–5A of congressional facilities. It is going to be a monument to incompetence. It is going to make the congressional consideration of the Rayburn Building look like an extremely well designed, carefully conceived and executed decision.

Mr. DOMENICI. Mr. President, at the request of the Senator from New York (Mr. BUCKLEY), I ask unanimous consent that a statement by him on the pending amendment be printed in the RECORD.

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

STATEMENT BY SENATOR BUCKLEY

I support strongly Senators Culver and Domenici in opposing the authorization of funding for acquisition of yet another Senate office building.

The Senators from Iowa and New Mexico have stated clearly the reasons against this acquisition: The fact that the space is not needed now and certainly will not be needed once the Hart Senate Office Building is opened; the fact that this bill provides about $10 million more than the General Services Administration's appraised value of the building, and the fact that we are going ahead with this acquisition at a time when the Senate is carefully evaluating its future needs for staffing and the shape of the Committee system.

To spend this money now on this building I believe is wasteful and against the public interest. I strongly oppose the acquisition of the property at 400 North Capitol Street, and I strongly support the Culver-Domenici motion.

Mr. STAFFORD. Mr. President, I join my colleagues from Iowa and New Mexico in opposing acquisition of 400 North Capitol Street.

The Public Works Committee considered and rejected a proposal to authorize the purchase of the building for $31.5 million, GSA's estimate of its value.

The Appropriations Committee measure would authorize and appropriate up to $35.5 million for acquisition of the building and an additional $3.5 million for operation and maintenance. In my opinion this is a great deal to spend for the 3- to 5-year period before the Philip A. Hart Building is completed.

I agree with opponents of the measure that long-term need for the property at 400 North Capitol Street has not been demonstrated, that the time is particularly inappropriate for such a purchase, and that alternatives for short-term needs are available. I will, therefore, vote against the amendment proposed by the distinguished floor manager of the bill.

The PRESIDING OFFICER. All time has expired.

The question is on agreeing to the amendment. On this question the yeas and nays have been ordered, and the clerk will call the roll.

Mr. ALLEN. A point of order, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. ALLEN. I raise the point of order that the committee amendment is out of order as being legislation on an appropriations bill.

Mr. HOLLINGS. Mr. President, I raise the point of germaneness.

The PRESIDING OFFICER. Under rule XVI, the Chair submits to the Senate the question of germaneness.

Mr. HOLLINGS. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is, Is the amendment germane? 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 Indiana (Mr. BAYH), the Senator from Virginia (Mr. HARRY F. BYRD, JR.), the Senator from California (Mr. CRANSTON), the Senator from Missouri (Mr. EAGLETON), the Senator from Ohio (Mr. GLENN), the Senator from Michigan (Mr. PHILIP A. HART), the Senator from Indiana (Mr. HARTKE), the Senator from Wyoming (Mr. McGEE), the Senator from New Hampshire (Mr. McINTYRE), the Senator from Montana (Mr. METCALF), the Senator from Minnesota (Mr. MONDALE), the Senator from New Mexico (Mr. MONTOYA), the Senator from Utah (Mr. Moss), the Senator from Rhode Island (Mr. PASTORE), and the Senator from California (Mr. TUNNEY) are necessarily absent.

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

Mr. GRIFFIN. I announce that the Senator from Maryland (Mr. BEALL), the Senator from New York (Mr. BUCKLEY), and the Senator from Illinois (Mr. PERCY) are necessarily absent.

I also announce that the Senator from Arizona (Mr. GOLDWATER) is absent on official business.

The result was announced—yeas 28, nays 53, as follows:

[Rollcall Vote No. 569 Leg.]

YEAS—28

Bellmon	Huddleston	Pell
Bentsen	Inouye	Randolph
Biden	Johnston	Schweiker
Brooke	Laxalt	Stennis
Cannon	Long	Stevens
Eastland	Magnuson	Symington
Ford	Mathias	Williams
Hatfield	McClellan	Young
Hollings	Morgan	
Hruska	Pearson	

NAYS—53

Abourezk	Fong	Nelson
Allen	Garn	Nunn
Baker	Gravel	Packwood
Bartlett	Griffin	Proxmire
Brock	Hansen	Ribicoff
Bumpers	Hart, Gary	Roth
Burdick	Haskell	Scott, Hugh
Byrd, Robert C.	Hathaway	Scott, William L.
Case	Helms	Sparkman
Chiles	Humphrey	Stafford
Church	Jackson	Stevenson
Clark	Javits	Stone
Culver	Kennedy	Taft
Curtis	Leahy	Talmadge
Dole	Mansfield	Thurmond
Domenici	McClure	Tower
Durkin	McGovern	Weicker
Fannin	Muskie	

NOT VOTING—19

Bayh	Glenn	Mondale
Beall	Goldwater	Montoya
Buckley	Hart, Philip A.	Moss
Byrd, Harry F., Jr.	Hartke	Pastore
Cranston	McGee	Percy
Eagleton	McIntyre	Tunney
	Metcalf	

So the amendment was held not germane.

The PRESIDING OFFICER (Mr. MORGAN). The Chair is now prepared to rule on the point of order: that this amendment is legislation on an appropriation bill. The Chair holds that the point of order is well-taken.

UP AMENDMENT NO. 428

Mr. HOLLINGS. Mr. President, I call up an amendment at the desk relative to the 1 percent pay kicker and ask the clerk to report.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from South Carolina (Mr. HOLLINGS), for himself, Mr. BELLMON, and Mr. BIDEN, proposes unprinted amendment No. 428:

On page 55, after line 20 insert the following:

Cost of Living Adjustments

(a) Section 8340(b) of Title 5, United States Code, is amended by striking out "1 percent plus".

(b) The amendment made by subparagraph (a) above shall apply to any increase in annuities after the date of enactment of this Act.

Mr. HOLLINGS. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. STEVENS. Mr. President, I am constrained to raise a point of order against the amendment as legislation in an appropriations bill.

We have agreed to hold hearings on this matter next year. It has been discussed with the Chairman of the House Civil Service Committee. I do not believe it is proper at this point to legislative in a general fashion on a matter such as this that has been on the books for some time. It is certainly not, in my opinion, a proper place to put this amendment, with due respect to my good friend from South Carolina. I would say it is legislation on an appropriations bill. It is permanent legislation, repealing permanent legislation, and it should not be here.

Mr. HOLLINGS. Mr. President, prior to the ruling can the Senator raise that point or can I be heard?

The PRESIDING OFFICER. Does the Senator raise a point of order?

Mr. STEVENS. I do.

Mr. HOLLINGS. Mr. President, I then raise the question of germaneness. It is really a limitation, and I would refer to page 127. But since the Senator is constrained to raise a point of order, this is something that has been in the budget, we have already acted on it on the military pay, and it refers to the civilian pay. I checked it out, and I checked with the leadership, and we put it in. So I would again raise a point of germaneness.

The PRESIDING OFFICER. The question of relevancy having been made, it is not debatable. Under the rules the Chair submits the question to the Senate: Is the amendment relevant ?

Mr. HOLLINGS. Germane. I raise a question of germaneness.

The PRESIDING OFFICER. The rule uses the word "relevant." The question is, Is the amendment germane?

Mr. HOLLINGS. I want the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The yeas and nays having 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 Indiana (Mr. BAYH), the Senator from Virginia (Mr. HARRY F. BYRD, JR.), the Senator from California (Mr. CRANSTON), the Senator from Missouri (Mr. EAGLETON), the Senator from Ohio (Mr. GLENN), the Senator from Michigan (Mr. PHILIP A. HART), the Senator from Indiana (Mr. HARTKE), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Wyoming (Mr. McGEE), the Senator from New Hampshire (Mr. McINTYRE), the Senator from Montana (Mr. METCALF), the Senator from Minnesota (Mr. MONDALE), the Senator from New Mexico (Mr. MONTOYA), the Senator from Utah (Mr. Moss), the Senator from Rhode Island (Mr. PASTORE), and the Senator from California (Mr. TUNNEY) are necessarily absent.

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

Mr. GRIFFIN. I announce that the Senator from Maryland (Mr. BEALL), the Senator from New York (Mr. BUCKLEY), and the Senator from Illinois (Mr. PERCY) are necessarily absent.

I also announce that the Senator from Arizona (Mr. GOLDWATER) is absent on official business.

The yeas and nays resulted—yeas 60, nays 20, as follows:

[Rollcall Vote No. 570 Leg.]

YEAS—60

Abourezk	Hansen	Nelson
Allen	Haskell	Nunn
Bartlett	Hathaway	Packwood
Bellmon	Helms	Pell
Bentsen	Hollings	Proxmire
Biden	Hruska	Randolph
Bumpers	Huddleston	Ribicoff
Cannon	Humphrey	Schweiker
Case	Inouye	Scott, William L.
Chiles	Javits	Sparkman
Church	Johnston	Stennis
Clark	Laxalt	Stevenson
Culver	Leahy	Stone
Curtis	Long	Symington
Dole	Magnuson	Taft
Domenici	Mansfield	Thurmond
Fannin	McClellan	Tower
Ford	McClure	Young
Garn	McGovern	
Gravel	Morgan	
Griffin	Muskie	

NAYS—20

Baker	Fong	Scott, Hugh
Brock	Hart, Gary	Stafford
Brooke	Hatfield	Stevens
Burdick	Jackson	Talmadge
Byrd, Robert C.	Mathias	Weicker
Durkin	Pearson	Williams
Eastland	Roth	

NOT VOTING—20

Bayh	Glenn	Metcalf
Beall	Goldwater	Mondale
Buckley	Hart, Philip A.	Montoya
Byrd, Harry F., Jr.	Hartke	Moss
Cranston	Kennedy	Pastore
Eagleton	McGee	Percy
	McIntyre	Tunney

The PRESIDING OFFICER. The amendment is held germane and the point of order is not well taken.

The question is on agreeing to the amendment of the Senator from South Carolina.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Florida.

UP AMENDMENT NO. 429

Mr. CHILES. Mr. President, I call up a perfecting amendment.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Florida (Mr. CHILES) for himself, Mr. DOMENICI and MR. STONE, proposes an unprinted amendment No. 429.

Mr. CHILES. 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:

(c)(1) Section 8340(b) of title 5, United States Code, as amended by subparagraph (a) above, is amended to read as follows:

"(b)(1) The Commission shall—

"(A) on January 1 of each year, or within a reasonable time thereafter, determine the percent change in the price index published for December of the preceding year over the price index published for June of the preceding year, and

"(B) on July 1 of each year, or within a reasonable time thereafter, determine the percent change in the price index published for June of such year over the price index published for December of the preceding year.

"(2) If in any year the percent change determined under either paragraph (1) (A) or (1) (B) indicates a rise in the price index, then—

"(A) effective March 1 of such year, in the case of an increase under paragraph (1)(A), each annuity payable from the Fund having a commencing date not later than such March 1 shall be increased by the percent change computed under such paragraph, adjusted to the nearest 1/10 of 1 percent, or

"(B) effective October 1 of such year, in the case of an increase under paragraph (1)(B), each annuity payable from the Fund having a commencing date not later than such October 1 shall be increased by the percent change computed under such paragraph, adjusted to the nearest 1/10 of 1 percent.".

(2) The amendment made by subsection (1) shall apply to any increase in annuities after the date of enactment of this Act, except that with respect to the first date after the date of enactment of this Act on which the Commission is to determine a percent change, such percent change shall be determined by computing the change in the price index published for the month immediately preceding such first date over the price index for the last month prior to the date of enactment of this Act for which the price index showed a percent rise forming the basis for a cost-of-living annuity increase under section 8340(b) of title 5, United States Code, as in effect immediately prior to the date of the enactment of this Act.

(d)(1) Section 1401a(b) of title 10, United States Code, as amended by section 2 of this Act, is amended to read as follows:

"(b)(1) The Secretary of Defense shall—

"(A) on January 1 of each year, or within a reasonable time thereafter, determine the percent change in the index published for December of the preceding year over the index published for June of the preceding year; and

"(B) on July 1 of each year, or within a reasonable time thereafter, determine the percent change in the index published for June of such year over the index published for December of the previous year.

"(2) If in any year the percent change determined under either paragraph (1)(A) or (1)(B) indicates a rise in the index, then—

"(A) effective March 1 of such year, in the case of an increase under paragraph (1)(A), the retired pay and retainer pay of members and former members of the armed forces who become entitled to that pay before such March 1 shall be increased by the percent change computed under such paragraph, adjusted to the nearest 1/10 of 1 percent; and

"(B) effective October 1 of such year, in the case of an increase under paragraph (1)(B), the retired pay and retainer pay of members and former members of the armed forces who become entitled to that pay before such October 1 shall be increased by the percent change computed under such paragraph, adjusted to the nearest 1/10 of 1 percent.".

(2) The amendment made by subsection (1) shall apply to any increase in retired pay or retainer pay after the date of enactment of this Act, except that with respect to the first date after the date of enactment of this Act on which the Secretary of Defense is to determine a percent change, such percent change shall be determined by computing the change in the index published for the month immediately preceding such first date over the index for the last month preceding the date of enactment of this Act used as the basis for the most recent adjustment of retired pay and retainer pay under section 1401 a(b) of title 10, United States Code, as in effect immediately prior to the date of enactment of this Act.

(e)(1) Section 882(b) of the Foreign Service Act of 1946 (22 U.S. 1121(b)), as amended by section 3 of this Act, is amended to read as follows:

"(b)(1) The Secretary shall—

"(A) on January 1 of each year, or within a reasonable time thereafter, determine the percent change in the price index published for December of the preceding year over the price index published for June of the preceding year, and

"(B) on July 1 of each year, or within a reasonable time thereafter, determine the percent change in the price index published for June of such year over the price index published for December of the preceding year.

"(2) If in any year the percent change determined under either paragraph (1)(A) or (1)(B) indicates a rise in the price index, then

"(A) effective March 1 of such year, in the case of an increase under paragraph (1)(A), each annuity payable from the Fund having a commencing date not later than such March 1 shall be increased by the percent change computed under such paragraph, adjusted to the nearest one-tenth of 1 percent, or

"(B) effective October 1 of such year, in the case of an increase under paragraph (1)(B) each annuity payable from the Fund having a commencing date not later than such October 1 shall be increased by the percent change computed under such paragraph adjusted to the nearest one-tenth of 1 percent.".

(2) The amendment made by subsection (1) shall apply to any increase in annuities after the date of enactment of this Act, except that with respect to the first date after the date of enactment of this Act on which the Secretary is to determine a percent change, such percent change shall be determined by computing the change in the price index published for the month immediately preceding such first date over the price index for the last month prior to the date of enactment of this Act for which the price index showed a percent rise forming the basis for a cost-of-living increase under section 882(b) of the Foreign Service Act of 1946 (22 U.S.C. 1121(b)), as in effect immediately prior to the date of the enactment of this Act.

Mr. CHILES. Mr. President, this would perfect the Hollings amendment and provide for a way in which we would recompute the cost-of-living raise. If we will think back to the history, the purpose for putting in the 1-percent kicker back in 1969 when it was done was because there would be a timelag in computing a cost-of-living increase. We required that the Consumer Price Index had to go up by more than three points and it would have to stay up for more than 3 months before it would trigger an increase.

If we do away with the kicker, and I think we should—that is the proposal of the Hollings amendment, to do away with it—then we ought to look back at the reason that we put the kicker in to start with.

My amendment would provide that we would not have to wait to have a 3-percent increase. I remember at that time inflation was something we did not know was going to be a fact and a way of life, that it was going to be continuing. Because there might be a timelag, we put this into the legislation. The first adjustment took about 25 months.

Just to perfect the Hollings amendment, what we would do now is to look at the cost of living automatically every 6 months. If it has gone up, we would go ahead and compute that on a 6-month basis rather than require that it had to go up by three points and had to stay up for 3 months. Whatever the price increase was, that is how much it would go up.

This, I think, does two things: One, it gets to the big money that the kicker is now costing us because the kicker is an extra 1-percent add-on every year and it accumulates. That is why by the year 2000 it will cost us $6 billion a year.

My amendment would get to that in the same way, but it would allow a fair method for computing the cost of living. I really think this is the best kind of answer that we can give to the retired people, whether they be civil service, the military or foreign service, to say, "We had to get rid of the kicker because of the long-term cost and the fact that it was not fair because it was 1 percent every year. But recognizing that the purpose for which we put it in there was because we were afraid of the timelag, we have now taken care of that timelag. We are providing for a semi-annual adjustment. Every April and every October you will get a cost-of-living increase of exactly the change in prices.

So I think it is fair to the retirees and at the same time helps us to get rid of the expensive feature of the kicker.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that Earl Armbrust, of the CBO, be granted the privilege of the floor during the consideration of the pending measure.

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

Mr. HOLLINGS. Mr. President, to bring this back into perspective, what we intended and still intend, Senator BELLMON and myself, is to keep faith under the budget process with the general representation made by the Senate when we adopted the first concurrent resolution. We said among the economies, and we got on our good friend from Louisiana about tax reform, here is another

item that we ought to get on ourselves about. That is, in computing and balancing, in figuring revenues and expenditures, we would have the repeal of the 1-percent kicker across the board.

The Armed Services have kept faith and they have provided under their bill the repeal of the 1-percent kicker, conditioned on the repeal of the 1-percent kicker as it applies to the Federal civil employees as well.

This amendment tells us where we are going to save $0.2 billion, or $200 million, this year and by the year 1980 it will be some $3.8 billion.

The amelioration of it and the adjustment made by the Senator from Florida frankly I do not personally object to. I would be prepared, as one of the authors of the amendment, to accept it. I think perhaps Senator BELLMON would be. But if it would cause a great bit of confusion, I will say what it would cost in dollars and cents. Rather than $3.8 billion by 1980, I think it is $3 billion.

Mr. CHILES. It would cost a little money in the short run. Over the long run, we make up the big loss because we are getting rid of the cumulative 1 percent added each year.

Mr. HOLLINGS. I would like to yield to the Senator from Oklahoma, a cosponsor.

Mr. BELLMON. Mr. President, I am in agreement with the Senator in taking the Chiles perfecting amendment.

Mr. HOLLINGS. Would the Senator from Alaska agree that we can accept this amendment and then we will hear his debate?

Mr. STEVENS. I would like to talk a little bit about it.

Mr. HOLLINGS. I think this has been fairly well debated. I yield to the Senator from Alaska.

Mr. STEVENS. You have not heard the debate yet, I say to my friend, because it has not been debated. The chairman of the Post Office and Civil Service Committee is not here. He has his own problems this year, as about 33 of us do.

We talked about this matter, and agreed we would hold hearings at the beginning of next year. We closed our hearings this year, but agreed we would take it up next year. The fiscal year does not start until October; we can take this up before we are well into the fiscal year.

The question is the equities to the people involved. We have not held hearings on this matter. I cannot tell you the cost of the amendment of the Senator from Florida, and I do not know that the Senator from South Carolina or the Senator from Oklahoma can, either. We do not know what the equities are for the people involved.

This is legislation on an appropriation bill. I know the Senate has just voted that it is relevant, but notwithstanding that, it should go to the Post Office and Civil Service Committee. We have legislation before us; we are working on the matter, we have jurisdiction over it, and we have people downtown trying to figure out what is equitable to those people who have already elected to retire on the basis of the existing law with the 1-percent kicker.

You are going to repeal it altogether, or go into an entirely new system. With due deference to my friend from Florida, we have not looked at that system. I would be willing to bet the Civil Service Commission has not looked at the Senator from Florida's amendment, and I would be willing to bet that the people who work with the actuarial aspect of the system have not looked at it.

I do not think we ought to legislate here on the Senate floor dealing with something as serious as the retirement benefits for the rest of their lives, of people who spent their working lives serving the Federal Government.

I have just tried to contact the Post Office and Civil Service Committee staff to get the point of view of the committee involved in this. They have gone. This is not their bill on the floor. We cannot get anyone, to get the books out of the blasted committee, to find out the impact of this.

We are assigned to these committees. My friend is on the Post Office and Civil Service Committee. The reason this is here on the Senate floor is that there are 2 or 3 Members who are disturbed that we would not agree to hold hearings in the last 2 or 3 weeks of the session, when we were working on other matters. I have been running back and forth all day, like the rest of you have, to conference committees, here and on the House side, and there just is no time to hold a hearing on something this serious right now.

We have made a commitment that we will hold hearings at the beginning of next year. But there are equities of the people involved in the system right now that should be protected, and I object violently to the concept that when we have worked out an agreement, we have agreed with the House that there would be a compromise on it, that here, out of the clear blue sky, comes an amendment like this. I recognize the budget process and the Budget Committee did figure this in, but I thought we still had legislative committees. I thought we still had jurisdiction. Those of use who have worked on it in committee have staff working on it, who went home not thinking they would have a bill on the floor tonight. We have a right, I would think, to have some consultation on permanent legislation going into an appropriation bill.

I cannot object strongly enough to this kind of procedure. I think this is one reason why Government employees do not have any confidence in what goes on in Congress, because we willy-nilly get into things like this without thinking about it.

Mr. President, I am obviously exercised. I think we all ought to be exercised when something like this happens. I think if the chairman of the Post Office and Civil Service were here, he would be exercised also.

Mr. HOLLINGS. Mr. President, in all fairness, speaking of the right to be exercised, I do serve on the committee with the Senator from Alaska, and I happen to have a very exalted title on the committee: chairman of the Postal Operations Subcommittee. But we have been unable to get a hearing on this particular measure. Nevertheless, we believe in our legislative committees. We believe in our chairmen, and we believe in equity of procedures, and that is why we have to take this procedure.

We did it for the military. We did it for General Service employees. The President of the United States sent it up here in January.

You do not have to be here long to see the results of inflation. Over the period of time the kicker has been in effect, Federal annuities have increased 72 percent, while the cost of living, since 1969, has increased only 56 percent.

So they have gained exactly—you can have your little hearing right here—$1.6 billion more than the social security recipient, the food stamp recipient, or anyone else around here as a recipient.

They are all feeling this inflationary cost-of-living CPI, but when it comes to this little sweetheart deal, I found out, working on the Appropriations Committee with the distinguished Senator, that our former staff director said, "I can make more money quitting with this little 1 percent kicker than what you pay me on the Appropriations Committee." You have heard this, and I have heard it. I know; I can see you smile.

This issue was not supposed to come up. It is an election year issue. The President proposed the issue, and we debated it as to the military. We debated it with the first concurrent resolution. We have got government in the sunshine. There is Vice President DOLE coming in. He is on the Budget Committee.

Mr. STEVENS. I cannot keep track of my good friends.

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

Mr. HOLLINGS. Yes.

Mr. CHILES. I just wanted to know if the Senator from South Carolina is a little bit confused, like the Senator from Florida. I am whipped, on the one hand, by the President, who says we have to repeal the kicker, and by the chairman of the committee on the Republican side, who is telling me we should not repeal the kicker. I feel like I am getting seesawed about this matter, and I am just a poor candidate running for reelection.

Mr. STEVENS. I am just pointing out that the Senator is not the only candidate for reelection. The Senator from Wyoming is a candidate, and he is not here. He would be speaking if he were here, and I am really speaking for him.

My friend tells me this is in the budget, and that is true. But I am sure my friend will agree with what I have said: We had a discussion on this just this past week, and we have made a commitment to have a hearing on this subject at the beginning of the next session.

Those on the legislative committees should take heed: What you need to do is be gone, if you are chairman, or the people who sit down and work out agreements on things like this, be gone, and along comes an amendment like this without notice and it will go through without a hearing and without any record.

I yield to the Senator from Mississippi.

Mr. STENNIS. I thank the Senator. I shall just take a moment.

I feel compelled to say just a word here and I shall not be long. This matter was

raised by the President of the United States in the budget, and was approved, in effect, by our Budget Committee, and on the military side of the ledger this matter went through our authorization committee and we adopted it. We adopted it as to the 1 percent kicker and it came on the floor here and was not challenged in any way, and went to conference with the House, and came back. The conference report had it in it, and it was not challenged in any way.

So we have gone all the way through this, all the way on the military side. Now, in there was a provision that it would be effective only if the same medicine was distributed around to all. So I think this puts it up to us.

Ordinarily I stick with the legislative committees, and stick to their jurisdiction. This situation is a little peculiar, but it is the only way to get at it.

And with deference, it seems to me meritorious, although it is not something one would like to vote for. But we are down to the last roll, and we ought to meet this and vote for the amendment, as I see it.

I thank the Senator.

Mr. STEVENS. Mr. President, I understand what the Senator said, and I served on that subcommittee, too, in terms of the appropriations process and know what we have done in conference. But again I say there are differences here with regard to its effect on the civil service system. I think we are entitled to go ahead with the agreement we made, have the hearing next year, consider this matter, and make the adjustment.

I am sure my friend from South Carolina knows that the bill pending in the House of Representatives is not the bill that is pending before the Senate right now. That we called the "softening" bill, the bill to soften the 1 percent and to spread it out so that we would finally eliminate it. Remember, Congress put in effect the 1 percent. This is something that has been in the law and it has been used. Now we have the feeling that because of the budget process, and other things, it ought to be done away with.

But people who have elected to retire based on the fact that it is coming are now going to be committed to retire without it coming. I am sure that my friend understands that. I think that is unfair. I think we ought to provide for a staging out, a softening of this incentive, this cost-of-living adjustment so that there is no effect, really, on the rate of retirements in the Federal Government.

As far as I am concerned, it is one of the incentives that brings about a retirement now by some of the people who might wait 2 or 3 years to retire, and that, to me, is a good thing because people who elect to retire early get paid less and when they get this "kicker" there are other people who move in behind them in the system and we provide additional employment without, in fact, increasing the total amount of Federal employment. That aspect of this has not been examined yet. But again, I do not disagree that the 1-percent kicker is going to go in the civil service system. It is going to be eliminated. The question is how and over what period of time. And with due respect to the Senator, I believe that our committee ought to have the chance to look into that and make that recommendation to the Senate.

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

Mr. STEVENS. I yield.

Mr. BELLMON. I am also a member of the Committee on Post Office and Civil Service as is the Senator from South Carolina and the Senator from Alaska. We had a year to work on this thing, and the committee has shown no inclination to do so. We know from what the Senator from Mississippi has just said what happened on the military side. If we do not act now, we are going to have to go back and do the whole job over again which may not be possible. I feel strongly that we ought to act and act now while we have the matter before us, a matter well understood, and hearings will serve no good purpose. I am not aware of any agreement to hold hearings.

Mr. STEVENS. We made an agreement, and I am sure the Senator from——

Mr. HOLLINGS. No. I wish to be fair to my friend from Alaska. The truth of it is everything was over there. I do not wish to pass the buck. I had no reason to attend because nothing was going to happen. Every time something was suggested they would say, "Wait until next year and we will have a hearing on it."

The Senator from New York (Mr. BUCKLEY) in March put this in. We could not even get a hearing. We had on the Committee on Post Office and Civil Service an opportunity to work on this particular measure. We come here in September, and everyone knows what the issue is and everything, to say what we ought to do is subject it to hearings.

Mr. President, what would be more equitable, if we really feel that way, is immediately let us give the 1-percent kicker to the social security recipient rather than semiannually, review the food stamps, and give a 1-percent kicker on the food stamps.

I hate to look at the Senator from North Carolina when I say that. He would about run me out of the Chamber if we had to increase the food stamps around here. But that is exactly what it means.

We are not being unfair. We are treating these particular retirees the same as Congress has already treated the Foreign Service personnel, all conditioned on how we are going to act here.

Mr. STEVENS. That is right. This is to make sure everyone understands.

Mr. HOLLINGS. That is right.

Mr. STEVENS. The military 1-percent kicker does not go out until this happens.

Mr. HOLLINGS. That is right.

Mr. STEVENS. The reason is does not go out is we agreed that the Committee on Civil Service and Post Office ought to determine the manner in which it goes out, and the Senator knows that the way we do it the Committee on Post Office and Civil Service is going to be the way it applies throughout the military system and anyone eligible for the 1 percent. They did not have jurisdiction over that. They just said, "Do it the way the Committee on Post Office and Civil Service does it for the classified service."

My friend here from Hawaii is the ranking member on the Committee on Post Office and Civil Service. I have not been involved in all these negotiations, but I do think I have been to all the meetings of the Committee on Post Office and Civil Service, and I do not recall anyone's ever raising a question at our executive sessions, or otherwise, demanding a hearing on this bill.

All I can tell the Senator is the first time it was raised I was with the Senator from Wyoming, and we did agree at that time that there would be hearings next year.

But again what we are doing now is going to determine the percentage of what happens on the military bill, and the Committee on Armed Services and the Committee on Appropriations deferred to us in terms of how this was going to be eliminated. They agreed it was going to be eliminated but how it is going to be eliminated is determined by the bill coming out of the Committee on Post Office and Civil Service.

Mr. HOLLINGS. Mr. President, if the Senator will yield, he was referring to the Committee on Post Office and Civil Service. They were trying, as the Senator uses the words "equitable" and "equity," to be fair across the board.

Mr. STEVENS. I accept that.

Mr. STENNIS. It was the same medicine.

Mr. HOLLINGS. That is, as the distinguished Senator from Mississippi said, the same medicine. We do not like to take away benefits and what have you. But what is sauce for the goose is sauce for the gander. That is the whole point.

The Committee on Armed Services was not at a loss by procedures and how it was going to be applied. They already decided that. "If you are going to make it effective to us in the Pentagon and the military, how about yourself" is what they were saying.

Mr. President, can we move the adoption of the amendment of the Senator from Florida? I think we can get a voice vote on that. Will the Senator not agree with that?

Mr. STEVENS. As the Senator knows, if the Senator wants to do that I suggest that he take a look at it. I just tried to read the amendment as we were talking here. It is five pages long. If the Senator can understand it and what it means to the retirement system, be my guest.

I can only say that as far as I am concerned this is a very poor way to deal with something as serious as the retirement system that applies to the civilians and the military people of this country. We should not do it.

Mr. President, just to eliminate the matter, and I have said my last, I am going to move to table both amendments and urge that these amendments be tabled and not considered now.

The chairman will be back next week. If the Senator feels this exercised about it, let us take it up now.

Mr. WILLIAM L. SCOTT. Mr. Presi-

dent, will the Senator hold that momentarily?

Mr. STEVENS. Yes.

Mr. WILLIAM L. SCOTT. Mr. President, we are going to have a vote on this matter soon.

I recall the reason for the 1-percent kicker being adopted. It was because there was a lag between the time of the cost of living going up and the time that the Federal employee retiree received a cost-of-living increase.

I do not understand just what the amendment does. I believe we need to have some sort of a compromise to get rid of the kicker but at the same time be fair to the Federal employee. I wonder if we could not just take a minute and let the distinguished Senator from Florida tell us what is in his amendment.

The Senator from Alaska says it is a lengthy amendment. Will the Senator from Florida explain it?

Mr. CHILES. The purpose of the amendment of the Senator from Florida and the Senator from New Mexico is to do exactly what the Senator from Virginia is mentioning. It is to really get at the purpose of why we put the kicker in to start with. For the kicker to take effect or for the present cost of living adjustment to take effect under the present law we have to have a 3-percent increase and it has to continue for at least 3 months. Because of this feature they decided to put in the 1-percent add-on to take care of the long delays that could occur.

If we are getting rid of the 1 percent, and I think we should, then I think we have to have a fairer method. So what my amendment would say would be to replace that 3 percent for 3 months with just saying that every 6 months we will automatically figure the cost of living, and if it has increased, then we will make provision for that as we do in the social security system and as we do in some of these other programs.

Mr. WILLIAM L. SCOTT. If the Senator will yield, when would the cost-of-living increase be effective? Would it be effective immediately or would there be another lag in the time it would become effective?

Mr. CHILES. There is always a lag for the calculation of it. But as soon as we are able to calculate it, program the computers to compute individual benefits, and mail the checks, it would automatically be done. So once we got through the first adjustment period, there would be a regular increase every 6 months, every April and October.

Mr. WILLIAM L. SCOTT. Would it be retroactive in time?

Mr. CHILES. Yes, it would cover the full 6 months since the last change was calculated.

Mr. WILLIAM L. SCOTT. The Department of Labor will decide there had been an increase?

Mr. CHILES. That is correct.

Mr. WILLIAM L. SCOTT. I will support the Senator's amendment.

Mr. CHILES. I yield.

Mr. FONG. Mr. President, under the present law, there must be an increase of 3 percent, and that 3 percent must be sustained for 3 months before there is an increase.

Mr. CHILES. That is right.

Mr. FONG. What does the Senator's amendment do? Does his amendment give them an increase every time there is a cost-of-living increase of 1 percent or one-half percent, or what does it do?

Mr. CHILES. Every 6 months you would automatically figure the cost-of-living index. If it has gone up, you give them an increase at that time, the same way we do in social security.

Mr. FONG. Then, the Senator is not actually following what the distinguished manager of the bill is doing.

Mr. CHILES. Yes, we are.

Mr. FONG. Under the present system, the retiree must wait 3 months after the cost of living has increased by 3 percent. If it only increases by 2 percent, he does not get any increase at all, even though it stays there for a year or 2 years. It must be a 3-percent increase, and has to be sustained for 3 months. What the Senator is doing in this amendment, as I understand it, is that as long as there is an increase every 6 months he is going to give it to them.

Mr. CHILES. That is correct, but there is no kicker.

Mr. FONG. It may be more costly than at present.

Mr. CHILES. No.

Mr. FONG. Because at present, they have to wait 3 months after the cost of living has increased by 3 percent.

Mr. CHILES. It has not proved to be that way, and that is the calculation of our Congressional Budget Office. The Congressional Budget Office has shown that if you go to the year 2000, you get a $6 billion impact a year on either one, the removal of the Hollings kicker or the removal of the Chiles perfecting amendment, because it is a cumulative feature that adds up.

Mr. FONG. I am not talking about the 1-percent kicker. I am talking about the 3 percent.

Mr. CHILES. I am talking about the perfecting amendment.

Mr. FONG. Under the present law, it has to increase by 3 percent. If it increases by 1 percent and remains for 3 months, there is no increase. If it increases by 2 percent, there is no increase. It has to increase by 3 percent, and then that 3 percent has to be sustained for 3 months, and then you will have an increase.

Under present law, social security recipients also come under this kicker. Does this amendment apply to social security recipients?

Mr. CHILES. Social security recipients do not have the kicker.

Mr. FONG. They do have a kicker.

Mr. STEVENS. Not this one.

Mr. FONG. They do have a kicker.

Mr. MUSKIE. If the Senator will yield, social security recipients do not get the 1-percent kicker. Neither does SSR or the food stamp program, for example. This is only the Federal retirement system.

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

Mr. CHILES. I yield.

Mr. THURMOND. Mr. President, I am not opposing this amendment; I do not think it is necessary. But if it should be adopted, I want to know whether the military is going to be on the same basis.

Mr. CHILES. Exactly the same.

Mr. THURMOND. I think it should be the same. If it is going to apply in 6 months, it should apply to the military in the same way.

Mr. CHILES. They are all to be treated the same way.

Mr. THURMOND. And the Senator's amendment provides that?

Mr. CHILES. Yes.

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

Mr. CHILES. I yield.

Mr. STEVENS. I do not think that is true. The Senator is dealing with more than a kicker in his amendment, now that I have read it.

The Senator is dealing with how the cost-of-living increases are computed. We started with an amendment to eliminate the kicker, and now he is going to reform the whole retirement system, so far as cost-of-living increases are concerned, with a perfecting amendment. With due respect, I do not think it automatically goes to the military system.

I am constrained to say, here we go again. We have the Budget Committee writing legislation for the Committee on Post Office and Civil Service.

Mr. MUSKIE. Mr. President, will the Senator yield on that point?

Mr. STEVENS. Yes, I am happy to yield.

Mr. MUSKIE. I have not had a word to say in this.

Mr. STEVENS. I hope the Senator will. I hope the Senator will denounce this.

Mr. MUSKIE. I do not denounce it.

Mr. STEVENS. I do not think the Senator's committee should be writing legislation.

Mr. MUSKIE. If the Senator will lower his voice, I will be glad to describe the Budget Committee's connection with this legislation.

Mr. STEVENS. It is not my voice. I do not need this microphone.

Mr. MUSKIE. I know the Senator does not.

This amendment is not a Budget Committee initiative.

Mr. STEVENS. The Senator from Florida just said it was.

Mr. MUSKIE. What the Budget Committee has done has been amply explained on the floor. What the Budget Committee has done is within its prerogative.

In the first concurrent budget resolution—and this decision was concurrent with the second concurrent budget resolution, which will be before the Senate tomorrow—we adopted the objective of eliminating the 1-percent kicker. This is the first time I have heard anybody on the Senator's committee object to that action by the Budget Committee. Indeed, a few moments ago the Senator from Alaska accepted that, and now he challenges us. The Senator should choose.

Mr. STEVENS. This is not dealing with just a kicker.

Mr. MUSKIE. All we have done is contained in the first concurrent resolution. That was confirmed by both Houses of Congress. Because it is there, there are Members of Congress in both Houses who are very restive because the appropriate committees have implemented it for the military but nothing has been

done about it for the civilian personnel of the Government. So the members of the committee who worked to implement the military side of it are saying to me and to others, "Look, we stuck our necks out to implement the first concurrent resolution. When are we going to get the other half of it done?"

It is because of that frustration, not because of any attempt by the Budget Committee to legislate, that this amendment appears on the floor of the Senate today.

Mr. STEVENS. What is this I have in my hand?

Mr. MUSKIE. I do not know. I cannot see that far.

Mr. STEVENS. It is the perfecting amendment. I will apologize if I am wrong, but I understood the Senator from Florida to say that this was prepared by the Budget Committee.

Mr. CHILES. No. I think the Senator did misunderstand. The Senator said that nobody computed any figures on this, and I said that the Congressional Budget Office had computed figures.

Mr. STEVENS. Where did it come from? That is the question.

This is not the kicker. This refers to the total cost-of-living portion of the retirement system of the Civil Service.

What the Committee on Armed Services did was to eliminate the kicker, depending upon our determining how it should be eliminated. Now we are going to go into the total computation of the cost-of-living increase due to people on retirement, if I understand this correctly. I have only read it once. It is a very complicated subject.

Mr. NUNN. This is compatible with what the Committee on Armed Services did with the military. It was left open, so that whatever was done with the civil service with respect to the repeal of the 1-percent kicker would apply to the military. This makes specific reference to the Secretary of Defense and what he will do. Whether one is for the Chiles amendment or the Buckley amendment, as I understand it, the civil service and the military will be treated alike.

The Senator from Maine is eminently correct in the fact that the Committee on Armed Services, under the budget resolution, felt some responsibility and some mandate to address this issue. We did have hearings. We addressed the issue. The full Senate voted on it. It went to conference. The House agreed to it in conference. It already has been accomplished as to the military, contingent upon what this body does with respect to civil service.

I do not know where the Civil Service Committee was all the time this was going on. That is something I do not understand. Nevertheless, there was due notice given to the Committee on Post Office and Civil Service by the first concurrent budget resolution, by the action of the full Senate on the Armed Services Committee bill, by the action of the conference committee on the bill, by the President's budget message, by Secretary of Defense Rumsfeld's speeches, and by other things. I do not know where the Committee on Post Office and Civil Service has been this year while all this was going on, but it seems to me that at least this committee had a duty to have hearings before 1 year expired.

Mr. STEVENS. Mr. President, I can understand the situation, but I do not understand why we cannot have the normal procedure apply to this. We have just heard that the committee did take it up. I have been to those meetings, and I have never heard anyone demand a hearing. No one has written to me, to my knowledge, and said, "We would like to have a hearing on the bill introduced by Senator BUCKLEY."

The Senator from Florida points out that I have a little extracurricular activity for the people on this side of the aisle. If he had asked me for a hearing on it, I would have gone to the chairman and said, "Can't we have a hearing on it?"

The point was made that the Armed Services Committee held their hearings and determined how to handle it.

Correct me if I am wrong: It is still based on how we deal with the civilian side. Is that right?

Mr. NUNN. The Senator is correct on that point.

Mr. STEVENS. Then, why cannot we have hearings?

Mr. NUNN. That is a very good question. That is the essential question of the hour. Why cannot the Committee on Post Office and Civil Service have hearings when a matter has been discussed as widely as this one for almost a year?

Mr. STEVENS. When the Senator from Wyoming discussed it with me, he mentioned the problem of trying to hold hearings now, the question of being in session and having hearings in this last part of this year and said, "Would you agree?" I will have, next year, the same role that the Senator from Hawaii has with regard to the committee. I said, "Yes, let us hold them the first of the year."

I do not see any problem with that. What is the problem with waiting, will anybody tell me? What is the great problem with waiting until the proper procedure is followed with regard to this bill?

Mr. BELLMON. Will the Senator yield?

Mr. STEVENS. Yes, I yield.

Mr. BELLMON. I will tell what the problem is with waiting. The Committee on Armed Services has already acted. If the Committee on Post Office and Civil Service does not follow, it is going to be very difficult to get them to go through this again. This is not a very pleasant activity for any of us to undertake. Once the Committee on Armed Services has bitten the bullet, so to speak, it is up to the Committee on Post Office and Civil Service to take the next action. If they refuse to act, the Senate has to act to assure the repeal of the kicker.

ADDITIONAL STATEMENTS

Mr. MUSKIE. Mr. President, I rise in support of the amendment offered by the distinguished chairman of the Legislative Appropriations Subcommittee to H.R. 14238, the Legislative Appropriations bill. This amendment would repeal the so-called 1-percent kicker as it applies to cost-of-living increases in civil service retirement annuities. Let me point out that the question addressed by this amendment is not whether Federal annuitants should receive cost-of-living increases to keep up with inflation; rather, the question is whether Federal annuities should rise faster than inflation.

Since 1969, when the 1-percent kicker was added to the cost-of-living adjustment mechanisms, Federal annuities have increased by 72 percent, while the cost of living has risen over the same period by only 56 percent. As a result, Federal annuitants received $1.6 billion more by the end of fiscal 1975 than they would have, had their benefits merely kept even with inflation. Moreover, outlays for annuities over the next 5 years will be $3.8 billion higher than they would be if annuities rose at the same rate as inflation. All of these excessive increases in Federal annuities are not financed by employee contributions, but are ultimately a burden on the general taxpayer.

Mr. President, these inflated annuity increases are clearly unjustified. Even without the 1-percent kicker, the cost-of-living adjustment mechanism in the Federal retirement system is more liberal than that in almost any other pension system in the private or public sector. Moreover, no other Government program indexed to keep pace with inflation, such as social security, SSI, food stamps, or Federal pay, is adjusted as liberally as Federal retirement annuities. Social security, SSI, and Federal pay are adjusted annually; the food stamps bonus value is adjusted semiannually. If the 1-percent kicker is justified, with regard to Federal employees' retirement benefits, the argument could be made that it should be extended to these other Federal programs. The cost of such an extension clearly would be prohibitive.

This year, Mr. President, the Congress has acted definitively on three occasions in favor of repealing the 1-percent kicker. In adopting the first budget resolution, the Congress approved the policy of such a repeal. In enacting the military procurement and State Department authorization bills, the Congress approved the repeal of the kicker for the military and Foreign Service retirement programs, respectively, but only if a similar repeal is adopted with regard to the civil service retirement system. Thus, the amendment before us is the last piece needed to complete the policy for which Congress has clearly voiced approval three times. It is time for us to show the taxpayers that we meant it when we took these prior actions, and it is time to show that the Congress can act responsibly to eliminate unjustified spending of Federal tax dollars.

With repeal of the kicker, I think it is appropriate that we have removed the conditions that made enactment of this compensatory provision necessary in the first place. This amendment as perfected insures that civil service retirees experience no unwarranted delay in having cost-of-living increases appear in their annuity checks. This represents fairness for the annuitant and responsible fulfillment of the congres-

sional obligation to former Federal workers.

Mr. BELLMON. Mr. President, I am very pleased to join the distinguished Senator from South Carolina, Senator HOLLINGS, in cosponsoring this amendment to repeal the so-called 1-percent kicker. I do not believe it is necessary to elaborate at length on this issue because the issue itself is not very complex. The unfairness of this provision in the law has long been recognized. The facts are that Congress made a mistake in 1969 when the 1-percent kicker was added to the cost-of-living increase formula for the retirement programs. Because of the compounding effect, this mistake has caused Federal annuitants to receive increases totaling 71 percent over the last 7 years, while the Consumer Price Index during that same period only increased 56 percent. This overpayment of 15 percentage points cost $800 million and will get larger and larger if we procrastinate on this issue.

Congress has in effect expressed its desire on this issue on several occasions. First, the savings from repeal of this kicker is assumed in the fiscal year 1977 budget which Congress passed by 62 to 22 in the first concurrent resolution. The anticipated fiscal year 1977 savings is $200 million. Second, the Armed Services Committee has faced up to this issue and has recommended repeal of the 1-percent kicker in the military retirement program as part of the military procurement bill, assuming similar action is taken with regard to the civil service retirement system. Finally, Congress this year also eliminated the kicker in the Foreign Service retirement system. There is no excuse for a double standard in Federal retirement systems. We made a mistake in 1969.

While we may have originally intended for Federal retirees to keep up with inflation, it was never our intent to have these retirees have a windfall benefit by out-stripping inflation. As Senator HOLLINGS has clearly shown, the Federal retirement system has many benefits in excess of social security retirement. With this amendment we merely seek to correct one major discrepancy. If we fail to act we will find more and more of our budget outside of our grasp—because it will be forced to fund this inequitable program. It is situations like this that make budget balancing so difficult. I trust the Senate will repeal this kicker today in the name of fiscal responsibility.

Mr. President, there is a growing public outcry concerning abuses in the Federal retirement system. A recent article by former Congressman Hastings Keith in the Reader's Digest of September 1976, sets out these abuses with great clarity. Among the Congressman's recommendations is the abolishment of the 1-percent kicker.

The Federal retirement system is an essential element of Government service. The availability of a reasonable retirement after a career of Government service has been a major inducement to qualified candidates for public service. I believe the system needs to be preserved but I also feel that its preservation depends on the elimination of the flagrant abuses which currently exist. I strongly urge the leadership of both the House and the Senate to adjust the legislative program so that the vote on the elimination of the 1-percent kicker can be held before adjournment.

I ask unanimous consent that the Reader's Digest article be printed in full in the RECORD.

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

LET'S THROTTLE BACK THE FEDERAL-PENSION GRAVY TRAIN

(By Hastings Keith)

In 1973, after serving 14 years in Congress and 6 in the military, I retired and began collecting pension checks of $1560 per month. Today, just three years later, those checks have increased to $2206 per month. If you assume a realistic annual U.S. inflation rate of six percent—it's now between five and seven percent—I'll receive $5000 a month by 1990, the end of my life expectancy. If, however, inflation resumes at the double-digit rate of 1974, by 1990 I could be collecting as much as $17,000 a month.

To the millions of retired Americans who have to subsist on fixed incomes and who see their purchasing power shrinking every day, such largess to 2.7 million retired civil-service and military employes must seem irresponsible—even scandalous. In a 1972 survey of 1800 major U.S. companies, it was found that only four percent of the pension plans studied provided for pensions to vary with an increase in cost-of-living prices. And none of those companies provided benefits to exceed the living-cost hikes. Yet that's precisely what Congress does for retired federal-government workers.

One result of this staggering Congressional practice is that taxpayers will have had to cough up an extra $300 billion by 1990—assuming a six percent annual inflation rate—just to cover unanticipated retirement costs of federal workers. Because these employees can earn almost as much and, in some cases, more money in retirement than when they were working full-time, they will continue to retire at an early age. (Many then land jobs in private industry, and collect a salary along with their pension.) And private-sector employees will have to spend more years on the job to support with their tax dollars the longer retirement periods of public pensioners.

Annual pension costs have soared from $3.8 billion in 1967 to a projected $18.9 billion in 1977. That's a jump of 397 percent in a decade. But worse is still to come. Over the next 25 years, the known costs of federal retirement plans, not counting any further inflation, will quadruple to more than $73 billion a year.

How did federal pension programs get so horrendously out of hand? Compared with private plans, they have been especially generous—the original idea being that the government needed to offer higher benefits to attract career employees. At the beginning, military retirees were not eligible for Social Security. In 1956, however, Congress took them into the fold. In 1962, Congress decided to sweeten the pot again. The first major addition was a cost-of-living escalator clause, which tied pensions to hikes in the Consumer Price Index. Pay raises followed that. (In 1960, the average salary of a white-collar government employee was $4,940. In March 1976, it was $15,336.)

Finally, a civil-service pension used to be based on the average salary that a federal worker earned during his final five years of service. By shortening that period to three years, Congress increased the amount that each pensioner could expect. Since people who legislate benefits are seldom the ones who have to pay for them, Congress—willing to let future generations do the worrying—simply appropriated enough money to pay each year's bill.

By 1969, the civil-service retirement program's unfunded liability—meaning benefits which had already been promised to federal workers, but for which no money had been set aside—was a frightening $56 billion and climbing rapidly. To stabilize the program, my colleagues and I voted to increase the amount that federal employes had to kick in to their pension plan from 6½ percent of salary to 7 percent. We required matching contributions from federal agencies. We also began setting aside funds to cover future obligations. Then, almost as an afterthought, we adopted an amendment which, in effect, undermined all these reforms.

Because there had been a substantial lag between upsurges in the costs of living and the time that those increases were reflected in pensioners' checks, we decided to give federal retirees a one-percent "kicker" to compensate. So, in 1969, we decreed that every time the cost of living shot up three percent over the previous month's index, and remained at that higher level for three consecutive months, pension checks would be increased by the amount of the increase in the Consumer Price Index plus an additional one percent. Since the annual inflation rate in 1969 was a meager three percent, the additional one percent didn't seem to pose a significant threat.

Then double-digit inflation set in. Since the beginning of fiscal 1974, there have been six cost-of-living adjustments, and the kicker—which was intended only to help retirees stay even—has actually given them $1.6 billion more than they needed to catch up. Whereas the cost of living over the past six years has risen 56 percent, federal pensions have been increased by 72 percent. Congress simply failed to realize that each one-percent add-on would be compounded and would thus become part of the base for succeeding computations.

Consider the following examples of what the increases can come to. A State Department secretary retired in July 1972 after 42 years' service. Her average salary for her final three years was $15,000, and her annuity at the time of retirement was $12,000.* Today, because of adjustments and add-ons, she collects an annual pension of $17,785. Or take the Commerce Department executive with a 44-year record, whose last three years' salary averaged $36,000. When he retired in 1972, he began receiving an annuity of $28,000. Today he receives $42,687 a year—or nearly $6700 more than he did when he was working. As recently as 1971, the average enlisted man who retired at age 41 at a pay-scale of $12,000 per year could expect a pension check of $350 per month. Currently, he collects about $500 per month.

A friend of mine in Maine, a former government employe, has seen his pension checks jump from $1900 to $2700 per month since his retirement several years ago. "I feel guilty," he says. In my own case, I served on active duty in the Army and then remained in the Army reserve. Last November, when I retired from the military, I began to collect $551 per month beyond my Congressional pension. In March of this year, that increased to $581. In 1978, when I'm 62 and eligible for Social Security, my bank balance will swell again.

Clearly, this upward spiral must stop. Fortunately, I'm not the only one who is spreading the alarm. Rep. Brock Adams (D., Wash.), chairman of the House Budget Committee, and Rep. Paul Findley (R., Ill.) have ex-

*Federal employees with 30 years of service receive, on retirement, 56 percent of their last three years' average salary. Longer service can raise the rate as high as 80 percent.

pressed their concern. Also, on two occasions recently, President Ford has asked Congress to repeal the one-percent kicker and bring federal pensions into line with those in the private sector. Unfortunately, perhaps because at least 38 members of Congress are themselves current recipients of federal pension-program adjustments and add-ons, little has been done.

Yet the country can't afford to wait much longer. Agreement on a new budget must be reached before October 1. Here's what Congress must do:

Abolish that one-percent kicker. This step alone would save at least $1.5 billion per year by 1981. Already, the kicker has cost taxpayers $11.2 billion. If it's left unchecked, its total cost could eventually exceed $150 billion.

Declare a moratorium on further automatic cost-of-living adjustments until future increases in the costs of living fully offset expenditures required by the kicker in the past. Under such a stipulation, federal retirees would not be eligible for another pension increase until the Consumer Price Index moves up another 16 percentage points and equals the 72-percent increase in pension payments since 1969.

Amend the pension law to require current funding of all cost-of-living adjustments. (Unfunded liabilities today total $100 billion for the civil-service retirement program, nearly $200 billion for the military.)

Eliminate the provision in the pension law which allows military service to be counted toward both civil-service and military retirement payments until the age of 62. The present statute allowing duplication of benefits is fiscally inexcusable. Similarly, Congress should recognize the role that Social Security plays and the duplication of benefits it provides millions of retired federal employes.

I don't blame federal workers and pensioners for taking advantage of present retirement plans. But the purpose of those programs was to provide retirees with an adequate income. It was not to give them preferred status, make them rich, or induce them to leave federal service early.

In this election year, federal pension reform should be a major campaign issue. Thinking voters will take pains to determine where candidates stand.

Mr. STEVENS. Mr. President, I move to lay the Hollings amendment on the table, with the hope that the Senate will let the Committee on Post Office and Civil Service get to this matter in the proper procedure. I move to lay the Hollings amendment on the table. I understand it will take with it the Chiles amendment.

The PRESIDING OFFICER (Mr. LEAHY). Will the Senator advise the Chair: Have the yeas and nays been requested?

Mr. STEVENS. Yes, I requested the yeas and nays.

The PRESIDING OFFICER. The question is on agreeing to lay on the table the amendment of the Senator from South Carolina. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Virginia (Mr. HARRY F. BYRD, JR.), the Senator from California (Mr. CRANSTON), the Senator from Missouri (Mr. EAGLETON), the Senator from Ohio (Mr. GLENN), the Senator from Michigan (Mr. PHILIP A. HART), the Senator from Indiana (Mr. HARTKE), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Wyoming (Mr. McGEE), the Senator from New Hampshire (Mr. McINTYRE), the Senator from Montana (Mr. METCALF), the Senator from Minnesota (Mr. MONDALE), the Senator from New Mexico (Mr. MONTOYA), the Senator from Utah (Mr. Moss), the Senator from Rhode Island (Mr. PASTORE), the Senator from Minnesota (Mr. HUMPHREY), and the Senator from California (Mr. TUNNEY) are necessarily absent.

I further announce that, if present and voting, the Senator from Rhode Island (Mr. PASTORE) and the Senator from Minnesota (Mr. HUMPHREY) would each vote "nay".

Mr. GRIFFIN. I announce that the Senator from Maryland (Mr. BEALL), the Senator from New York (Mr. BUCKLEY), and the Senator from Illinois (Mr. PERCY) are necessarily absent.

I also announce that the Senator from Arizona (Mr. GOLDWATER) is absent on official business.

The result was announced—yeas 11, nays 68, as follows:

[Rollcall Vote No. 571 Leg.]

YEAS—11

Baker	Hatfield	Scott, Hugh
Brooke	Mathias	Stevens
Durkin	Packwood	Weicker
Gravel	Pearson	

NAYS—68

Abourezk	Garn	Muskie
Allen	Griffin	Nelson
Bartlett	Hansen	Nunn
Bellmon	Hart, Gary	Pell
Bentsen	Haskell	Proxmire
Biden	Hathaway	Randolph
Brock	Helms	Ribicoff
Bumpers	Hollings	Roth
Burdick	Hruska	Schweiker
Byrd, Robert C.	Huddleston	Scott, William L.
Cannon	Inouye	Sparkman
Case	Jackson	Stafford
Chiles	Javits	Stennis
Church	Johnston	Stevenson
Clark	Laxalt	Stone
Culver	Leahy	Symington
Curtis	Long	Taft
Dole	Magnuson	Talmadge
Domenici	Mansfield	Thurmond
Eastland	McClellan	Tower
Fannin	McClure	Williams
Fong	McGovern	Young
Ford	Morgan	

NOT VOTING—21

Bayh	Goldwater	Mondale
Beall	Hart, Philip A.	Montoya
Buckley	Hartke	Moss
Byrd, Harry F., Jr.	Humphrey	Pastore
Cranston	Kennedy	Percy
Eagleton	McGee	Tunney
Glenn	McIntyre	
	Metcalf	

So the motion to lay on the table was rejected.

The PRESIDING OFFICER. The question recurs, on agreeing to the amendment of the Senator from Florida (Mr. CHILES).

Mr. CHILES. I move its adoption.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Florida.

The amendment was agreed to.

Mr. HOLLINGS. Mr. President, I move the adoption of our amendment, as amended.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Carolina (Mr. HOLLINGS), as amended.

Mr. HOLLINGS. Mr. President, I ask unanimous consent, inasmuch as we had a vote of 68 to 11, unless someone wants to have a rollcall vote, to vacate the order for the yeas and nays.

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

The question is on agreeing to the amendment of the Senator from South Carolina, as amended.

The amendment, as amended, was agreed to.

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

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

The motion to lay on the table was agreed to.

Mr. HOLLINGS. Now, Mr. President, for the information of my colleagues, we are trying to move forward. I know of only two amendments that may be proposed, and one is that of the Senator from Alaska (Mr. GRAVEL). Does the Senator want to propose his amendment now? The other is by the Senator from Virginia (Mr. WILLIAM L. SCOTT) who has an amendment. I think we might be able to accept the amendment of the Senator from Virginia unless there is some opposition, but the Senator from Alaska's amendment goes back to the pay thing, and I think we ought to listen to him.

TIME-LIMITATION AGREEMENTS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the amendment of the Senator from Alaska (Mr. GRAVEL) is offered, that there be a time limitation of 20 minutes, equally divided.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that from now on—if I can have the attention of my Republican colleagues—the votes be of 10-minute duration.

Mr. WILLIAM L. SCOTT. Mr. President, reserving the right to object, and I shall not object, if the distinguished majority leader wanted to put a time limitation on my amendment, too, I would be glad to agree to it. Twenty minutes.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that there be a time limitation of 20 minutes on the amendment to be offered by the distinguished Senator from Virginia (Mr. WILLIAM L. SCOTT) to be equally divided.

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

Mr. MANSFIELD. I ask unanimous consent that all votes from now on be limited to 10 minutes.

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

Mr. HOLLINGS. Mr. President, if the distinguished majority leader would also make the request to the amendment of the Senator from Kentucky (Mr. FORD) with respect to the annuitants, the same time limit, 20 minutes, not to exceed 20

minutes—I so make the unanimous-consent request.

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

Mr. MANSFIELD. Ten minutes to a side.

The PRESIDING OFFICER. Ten minutes to a side.

UP AMENDMENT NO. 430

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

The PRESIDING OFFICER (Mr. LEAHY). The amendment will be stated.

The legislative clerk read as follows:

The Senator from Alaska (Mr. GRAVEL), for himself and Mr. STEVENS, proposes an unprinted amendment numbered 430.

Mr. GRAVEL. Mr. President, I ask further consent that further reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 18, line 6, before the period, insert a colon and the following: *"Provided,* That the foregoing limitations on the use of funds shall not take effect until the Congress (1) has had the opportunity to consider the report and recommendations of the Commission on Executive, Legislative, and Judicial Salaries made under section 225(g) of the Federal Salary Act of 1967, as amended, with respect to the salaries of individuals in positions or offices referred to in section 225(f)(A) of such Act, and to consider the recommendations of the President made under section 225(h) of such Act with respect to the salaries of individuals in such positions or offices, and (2) has disapproved, under section 225(i)(1)(B) of such Act, those recommendations of the President".

Mr. GRAVEL. Mr. President, if I may have the attention of Senators.

The PRESIDING OFFICER. May we have order in the Chamber so that the Senator from Alaska can be heard? As to those Members of the Senate and staff having conversations, the Chair realizes how important they are, but the Chair requests they be held somewhere else.

The Senator from Alaska may continue.

Mr. GRAVEL. Mr. President, this is not a very complicated situation, but there is great precedent for it.

I think if the body would come to understand the import of this particular amendment, it would solve a lot of problems with respect to the pay situation.

I do not think I have to go into great lengths to indicate to the body how we are the last people who are able to raise our salaries.

We have placed ourselves in a situation where we are going to raise salaries of the judges and members of the executive branch. In fact, I understand we will have 14 members, staff members at the White House, not secretaries, but 14 members making more money than Members of Congress.

This is really the beginning of the end for us because if we cannot face up to this problem now, we will never face up to it.

I am not asking the body to vote on the pay raise at this point in time. What I am asking the body is to sit back and think of what we did some time back when we established a commission so we would have some comparability to what is going on in the private sector, so we could take umbrage with that comparability so as to make a decision and take this decision to our electorate.

That is the difficulty we have, to take a decision we make involving ourselves to the charge that we are self-serving.

The only way we can overcome that charge is by having some degree of comparability to what is happening in the private sector.

All this amendment does is say that notwithstanding what we have done already on this bill, we will withhold any action until next year when the President comes forward with his recommendations to the Congress based upon what the commission has reported to him, and then at that point in time, if we do not act then and if we choose to act then, the provisions we voted upon yesterday would come into being.

So we would not be recanting on what we have done yesterday. What we have done is done. We cannot change that. Obviously, the vote is not there to do it. But I would hope the votes are here to recognize we have, after much legislative deliberation, adopted a process to handle the subject.

All I am begging is that the body look at the wisdom of deferring to that process at that point in time, next year, when we have that report and the President's recommendations. If we want to reconfirm what we decided yesterday, we can so do it and nothing will have been lost, nothing will have been impaired.

In my mind, this is a very moderate proposal. I think it is the least we can do trying to rectify a serious situation because the inability to pay ourselves a proper wage is a serious situation. It leads to the worst type of difficulties that can occur in a democracy. I have some very strong views about the pay.

A person in one part of the country, let us say Alabama, the pay may be too high with respect to his constituency, but with respect to my constituency, let me say that any teamster who works a full year on the Alaska pipeline makes 30 percent more than I do as base pay, and 100 employees of State and municipal government in the State of Alaska make more money than I make.

When I travel to Alaska, and when my colleague travels to Alaska, we do not have the cost of living in Alabama or Mississippi. We have the cost of living in Alaska. We have to adhere to it.

When we have homes in Alaska, we have to maintain them at the cost in Alaska.

So if there are people here who feel there is a great injustice in having a proper pay comparable to the civilian sector, let him hold that feeling. They have a simple way to exercise their judgment by not taking the pay.

I would be willing to support an amendment that said that anybody voting against the pay raise would not collect the pay.

To use a colloquialism, that sure would correct a lot of people from sucking eggs.

But that is not what I am suggesting. I am suggesting something of great moderation. That would be that we would take this very moderate step and defer the thing until next year.

I would be happy to yield any of my time to anybody who wishes to speak.

Mr. HOLLINGS. Mr. President, as manager of the bill, I think that a Senator opposing this should report the position in opposition, because what he does, while he undoes, in a sense, what we did yesterday, he does what I wanted to do yesterday, and that is, feed everybody out of the same spoon.

I thought we had worked that out, once we adopted the amendment with respect to the judicial and executive.

So if someone else opposes that, he should control the time, because I personally, not as manager of the bill, would vote for the amendment.

SEVERAL SENATORS. Vote! Vote!

Mr. TAFT. Do I understand if this amendment were passed, the pay raise for the Senators and the Congress would go into effect October 1?

Mr. GRAVEL. That would happen, since this does not address itself to the incremental increase. It addresses itself to a pay increase, and if next year we chose to act, then that incremental——

Mr. TAFT. It would have gone into effect, not the pay raise October 1?

Mr. GRAVEL. It does not speak to that at all.

Mr. TAFT. What would happen on October 1 if this passed?

Mr. GRAVEL. That would get a pay raise, but——

Mr. TAFT. The bill today does not say that. The bill, as amended yesterday, does not say that.

Mr. GRAVEL. I do not speak to that at all.

Mr. TAFT. Well, the Senator must be speaking to it if one way it is and the other it is not. This is what changes it.

Mr. GRAVEL. I think the Senator can read the English language as well as I can. My amendment does not speak to that. It just defers the whole issue until next year when the commission comes forward.

If my colleague can read something else into my amendment, I would appreciate hearing it. I do not want to mislead anybody.

Mr. TAFT. Mr. President, I do not know if I yet have an answer.

Mr. GRAVEL. Would the Senator——

Mr. TAFT. I have the amendment here. I want to know what the Senator is saying it means.

If the amendment is passed, what would the rate of pay of a Senator be on October 1 or November 1? Would it be higher than it is now, or the same as it is now?

That is a very simple question.

Mr. GRAVEL. Yes. The simple answer is it would probably go up.

Mr. TAFT. Mr. President, I move to lay the amendment on the table.

Mr. GRAVEL. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER (Mr. MORGAN). The yeas and nays are not in order.

Mr. GRAVEL. I ask for the yeas and nays.

The PRESIDING OFFICER. The mo-

tion is not in order until all time has been used or yielded back.

Mr. GRAVEL. I yield back the remainder of my time.

Mr. TAFT. I have the time and I yield it back.

Mr. HOLLINGS. All time is yielded back.

The PRESIDING OFFICER. All time having been yielded back, the motion is in order.

Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table. 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 Indiana (Mr. BAYH), the Senator from Virginia (Mr. HARRY F. BYRD, JR.), the Senator from California (Mr. CRANSTON), the Senator from Missouri (Mr. EAGLETON), the Senator from Ohio (Mr. GLENN), the Senator from Michigan (Mr. PHILIP HART), the Senator from Indiana (Mr. HARTKE), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Wyoming (Mr. MCGEE), the Senator from New Hampshire (Mr. MCINTYRE), the Senator from Montana (Mr. METCALF), the Senator from Minnesota (Mr. MONDALE), the Senator from New Mexico (Mr. MONTOYA), the Senator from Utah (Mr. MOSS), the Senator from Rhode Island (Mr. PASTORE), the Senator from Minnesota (Mr. HUMPHREY), the Senator from California (Mr. TUNNEY), and the Senator from Louisiana (Mr. LONG) are necessarily absent.

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

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

Mr. GRIFFIN. I announce that the Senator from Maryland (Mr. BEALL), the Senator from New York (Mr. BUCKLEY), and the Senator from Illinois (Mr. PERCY) are necessarily absent.

I also announce that the Senator from Arizona (Mr. GOLDWATER) is absent on official business.

The result was announced—yeas 65, nays 13, as follows:

[Rollcall Vote No. 572 Leg.]

YEAS—65

Abourezk	Ford	Nelson
Allen	Garn	Nunn
Baker	Griffin	Pearson
Bartlett	Hansen	Pell
Bellmon	Hart, Gary	Proxmire
Bentsen	Haskell	Randolph
Biden	Hatfield	Ribicoff
Brock	Helms	Roth
Bumpers	Hruska	Sparkman
Burdick	Huddleston	Stafford
Byrd, Robert C.	Inouye	Stennis
Cannon	Jackson	Stevenson
Chiles	Johnston	Stone
Church	Laxalt	Symington
Clark	Leahy	Taft
Curtis	Magnuson	Talmadge
Dole	Mansfield	Thurmond
Domenici	McClellan	Tower
Durkin	McClure	Weicker
Eastland	McGovern	Williams
Fannin	Morgan	Young
Fong	Muskie	

NAYS—13

Brooke	Hollings	Scott, Hugh
Case	Javits	Scott, William L.
Culver	Mathias	Stevens
Gravel	Packwood	
Hathaway	Schweiker	

NOT VOTING—22

Bayh	Goldwater	Metcalf
Beall	Hart, Philip A.	Mondale
Buckley	Hartke	Montoya
Byrd, Harry F., Jr.	Humphrey	Moss
Cranston	Kennedy	Pastore
Eagleton	Long	Percy
Glenn	McGee	Tunney
	McIntyre	

So the motion to lay on the table was agreed to.

UP AMENDMENT NO. 431

Mr. WILLIAM L. SCOTT. Mr. President, I call up an amendment which I have at the desk, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Virginia (Mr. WILLIAM L. SCOTT) proposes an unprinted amendment numbered 431.

Mr. WILLIAM L. SCOTT. 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 Senator will suspend momentarily until order is restored. The Senate will be in order.

The Senator may proceed.

Mr. WILLIAM L. SCOTT. Mr. President, I have talked with the distinguished floor leader, and I believe he is prepared to accept my amendment. If so, of course, I will forego any remarks.

Mr. HOLLINGS. Good. Mr. President, the Senator has explained the amendment. It says that if you do not want the raise, just say you do not want it and you do not have to take it. I do not think it is necessary, but the Senator wanted it spelled out, so under the circumstances I have talked with Senator SCHWEIKER, my Republican counterpart, and we have agreed to take it to conference.

Mr. CURTIS. Mr. President, will the Senator yield for a question?

Mr. WILLIAM L. SCOTT. Yes.

Mr. CURTIS. Does this put the raise back in the bill?

Mr. WILLIAM L. SCOTT. No, it does not.

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

Mr. WILLIAM L. SCOTT. I yield.

Mr. TAFT. Do I correctly understand, then, that this would not apply to Senators or Representatives, just to members of the executive branch or the judiciary?

Mr. WILLIAM L. SCOTT. No, it would apply to Members of Congress.

Mr. President, I asked a moment ago that the reading of the amendment be dispensed with. Perhaps the clerk should read it, so that Senators will know what it provides, and then I will be glad to answer any questions. I was just trying to save time, since the floor leader had agreed to accept it. I ask that the amendment be read.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 18, line 6, after the period insert the following: "Notwithstanding the preceding provisions of this paragraph, funds appropriated by this Act or any other Act to pay the salaries of individuals in a position or offices referred to in section 225(f)(A) of the Federal Salary Act of 1967, as amended (2 U.S.C. 356(A)), shall be available to pay the salaries of such individuals at the rates provided by or pursuant to law, except that such funds shall not be available to pay salary to any such individual at a rate which exceeds the rate in effect on September 30, 1976—

(1) in the case of the Vice President, the President pro tempore of the Senate, the Majority and Minority Leader of the Senate, or a Senator, if such individual notifies the Secretary or the Senate in writing that he does not wish to receive the entire salary to which he is entitled and specifies the rate of salary which he wishes to receive; and

(2) in the case of the Speaker of the House of Representatives, the majority leader of the House of Representatives, the minority leader of the House of Representatives, a Member of (or Delegate to) the House of Representatives, or the Resident Commissioner from Puerto Rico, if such individual notifies the Clerk of the House of Representatives in writing that he does not wish to receive the entire salary to which he is entitled and specifies the rate of salary which he wishes to receive.

Any notice given under this section by an individual may be rescinded, or the amount specified therein may be changed, by further notice in writing to the Secretary of the Senate or the Clerk of the House of Representatives, as the case may be. Any such notice shall be effective during the period beginning on the date on which it is given and ending on the date on which it is rescinded or changed. For purposes of all laws of the United States (other than this paragraph), the rate of salary of an individual who gives a notice under this paragraph shall, during the period such notice is in effect, be the amount specified in such notice.".

Mr. THURMOND. Mr. President, will the Senator from Virginia yield?

Mr. WILLIAM L. SCOTT. I yield.

Mr. THURMOND. Mr. President, I ask unanimous consent that John DePere of the staff of the Committee on the Judiciary be accorded the privilege of the floor today and tomorrow.

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

Mr. TAFT. Mr. President, I think I understand now, after hearing the reading of the amendment. The Senator is saying the provision would apply to any Senator or Representative who wanted to turn back any portion of the salary he already receives. It does not apply to any increase.

Mr. WILLIAM L. SCOTT. Any increase over the present salary, he could notify the Secretary of the Senate he did not wish to receive it.

Mr. TAFT. But there is no increase provided in the bill. Does it apply to the present salary, without the increase? As I understand the amendment, it would so apply.

Mr. WILLIAM L. SCOTT. It was an amendment prepared by the legislative counsel. I did not prepare it personally,

but a reading of it would indicate that he could return any portion of his salary he did not want to receive.

Mr. TAFT. I think the Senator is correct, and I do not think it changes the impact.

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

Mr. WILLIAM L. SCOTT. I yield.

Mr. CULVER. If what the Senator is really attempting to do is afford an opportunity for each and every individual Member of Congress, all 535, to really step up to the pay window and tell the person there what they really think they are worth on an individual basis to the U.S. taxpayers and their constituents, if the Senator is affording them that opportunity, if they really do not feel they are not worth, dollar for dollar, the $42,500, or the $40,000, or the $43,000, or that they are millionaires and do not need it, then I want to commend him for a really useful and thoughtful vehicle, because it really would make it easier not to go through all this semiannual, annual, or monthly nonsense about pay raises.

Mr. WILLIAM L. SCOTT. Of course, it would not permit a Senator to increase his own salary.

Mr. CULVER. No, but if he blushingly wishes to admit, "I am really not worth what I am paid, and I really only want to draw from Uncle Sam commensurate value for what I am worth to the people I represent," I really want to commend the Senator, because I think that would save some money in some cases. But I think that Senator's constituency ought to be put on notice that they are not getting their money's worth out of the person who represents them, and that they ought to take steps to change that representation at the next election.

Mr. WILLIAM L. SCOTT. Mr. President, I appreciate the Senator's comments, and I yield to the Senator from West Virginia.

Mr. RANDOLPH. Mr. President, at this late hour it is somewhat difficult to understand the purport of amendments being offered for our consideration. I am not critical of my colleague from Virginia (Mr. WILLIAM L. SCOTT) because I know that he as well as other Senators now in the Chamber, are trying to clarify Federal salary schedules as well as the compensation paid to Members of the Congress.

No special virtue is attached to the position taken by the Senator from West Virginia. Last year I voted for the 5-percent pay increases. At that time I specifically stated that at the end of each month I would return to the Federal Treasury the amount of the pay increase. This I have done.

The prudent Senator from Alabama (Mr. ALLEN) will recall our colloquy at that time.

I say to my jovial colleague from Iowa (Mr. CULVER) that the worth of an individual Senator is perhaps best judged by the confidence his constituency has in his service. It was on my motion in the Post Office and Civil Service Committee that the 8-percent salary increase was reported for floor action. Later the amount was lowered to the 5 percent now in effect.

I reiterate the essence of my remarks last year when I said I was not critical of any Senator for his opinions and convictions, or for the aye and nay votes he cast. I strongly suggest however, that legislators should determine by direct up and down votes the issue of salary adjustments, we should not be covered as are appointive and civil service personnel.

The President, or a commission, or comparability, or cost of living are properly the basis of Federal workers, other than the elected Members of the Congress.

We should vote directly on whether to lower our salaries, which I did as a Member of the House of Representatives in 1933, or to raise our salaries.

I believe that the pay of U.S. Senators could in truth and fact be raised reasonably at this time. If provided the opportunity I would vote for such a proposal, provided we were recorded on a yea and nay rollcall.

Mr. WILLIAM L. SCOTT. Mr. President, I am glad to yield back the remainder of my time.

Mr. CULVER. If the Senator will point out the queue to me where I can indicate that in a straightforward way, any more straightforwardly, than I have seen in the last 12 years I have been in Congress, I will get in that queue. I am not trying to suggest that we have any subterfuge about that. The plainer the better.

Mr. WILLIAM L. SCOTT. I am glad to yield back the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. HOLLINGS. I will yield back my time. Let us vote.

The PRESIDING OFFICER. Is all time yielded back?

Mr. HOLLINGS. Right.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Virginia.

Mr. ALLEN. Just a minute. I call for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is not a sufficient second.

Mr. ALLEN. Let us have a rollcall vote.

Mr. ROBERT C. BYRD. Let us have a voice vote.

Mr. HANSEN. I call for the yeas and nays.

Mr. CULVER. I think this is terribly important. The matter is a terribly important matter. I think this is simply institutional precedent versus basic principle. I hope we will have a yea and nay vote on it.

Mr. ROBERT C. BYRD. Mr. President, it is late. Let us have a voice vote on the amendment. It can be voted up or down on a voice vote.

The PRESIDING OFFICER. The Chair has concluded the yeas and nays have not been called for.

The question is on agreeing to the amendment of the Senator from Virginia.

Mr. CULVER. I call for the yeas and nays, Mr. President.

Mr. ALLEN. I shall call for the yeas and nays if it seems the amendment is passed, I so state to the Chair.

Mr. ROBERT C. BYRD. Let us vote.

Mr. RANDOLPH. Let us vote.

Mr. HOLLINGS. Let us vote, Mr. President.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Virginia by voice vote (putting the question).

The "noes" seem to have it.

SEVERAL SENATORS addressed the Chair.

Mr. WILLIAM L. SCOTT. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is not a sufficient second.

Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Virginia. 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 Indiana (Mr. BAYH), the Senator from Virginia (Mr. HARRY F. BYRD, JR.), the Senator from California (Mr. CRANSTON), the Senator from Missouri (Mr. EAGLETON), the Senator from Ohio (Mr. GLENN), the Senator from Michigan (Mr. PHILIP A. HART), the Senator from Indiana (Mr. HARTKE), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Wyoming (Mr. MCGEE), the Senator from New Hampshire, (Mr. MCINTYRE), the Senator from Montana (Mr. METCALF), the Senator from Minnesota (Mr. MONDALE), the Senator from New Mexico (Mr. MONTOYA), the Senator from Utah (Mr. Moss), the Senator from Rhode Island (Mr. PASTORE), the Senator from California (Mr. TUNNEY), the Senator from Minnesota (Mr. HUMPHREY), the Senator from Louisiana (Mr. LONG), the Senator from Wisconsin (Mr. NELSON), and the Senator from South Dakota (Mr. MCGOVERN) are necessarily absent.

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

Mr. HUGH SCOTT. I announce that the Senator from Maryland (Mr. BEALL), the Senator from New York (Mr. BUCKLEY), the Senator from Michigan (Mr. GRIFFIN), and the Senator from Illinois (Mr. PERCY) are necessarily absent.

I also announce that the Senator from Arizona (Mr. GOLDWATER) is absent on official business.

The result was announced—yeas 26, nays 49, as follows:

[Rollcall Vote No. 573 Leg.]

YEAS—26

Abourezk	Hart, Gary	Pearson
Bentsen	Haskell	Roth
Brooke	Hathaway	Schweiker
Clark	Helms	Scott, Hugh
Culver	Inouye	Scott, William L.
Dole	Jackson	Stevens
Durkin	Laxalt	Stone
Garn	Magnuson	Taft
Gravel	Morgan	

NAYS—49

Allen	Church	Javits
Baker	Curtis	Johnston
Bartlett	Domenici	Leahy
Bellmon	Eastland	Mansfield
Biden	Fannin	Mathias
Brock	Fong	McClellan
Bumpers	Ford	McClure
Burdick	Hansen	Muskie
Byrd, Robert C.	Hatfield	Nunn
Cannon	Hollings	Packwood
Case	Hruska	Pell
Chiles	Huddleston	Proxmire

Randolph	Stevenson	Weicker
Ribicoff	Symington	Williams
Sparkman	Talmadge	Young
Stafford	Thurmond	
Stennis	Tower	

NOT VOTING—25

Bayh	Griffin	Metcalf
Beall	Hart, Philip A.	Mondale
Buckley	Hartke	Montoya
Byrd, Harry F., Jr.	Humphrey	Moss
	Kennedy	Nelson
Cranston	Long	Pastore
Eagleton	McGee	Percy
Glenn	McGovern	Tunney
Goldwater	McIntyre	

So the amendment was rejected.

UP AMENDMENT NO. 432

Mr. FORD. Mr. President, I call up my amendment which is at the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Kentucky (Mr. FORD) proposes an unprinted amendment numbered 432:

On page 17, after line 3, insert the following new section:

"SEC. 111. Amounts required to be deposited in the Treasury of the United States to the credit of the Civil Service Retirement and Disability Fund under section 8344 of title 5, United States Code, with respect to any officer or employee of the Senate, including an employee in the office of a Senator, shall be paid from the contingent fund of the Senate during the current fiscal year."

Mr. FORD. Mr. President, I have discussed this amendment with the floor manager of the bill. I believe I am speaking for 18 Senators and 9 committees in the Senate. Our funds for the office have not been increased, and we have been in the position of employing at a reduced salary those who have retired. This means that additional funds would be taken from our office accounts, and that would reduce our ability to employ those in our offices and sometimes on the basis of field offices.

This amendment just gives us 1 year to look at it, to be sure that we can rearrange the employment in our offices, rearrange our ability to employ these people.

I hope the amendment can be accepted just for the coming fiscal year, and at the end of that time we can look at it again.

Mr. HOLLINGS. Mr. President, I have discussed this matter at length. It has become a leadership decision and a policy committee decision.

The Senator from Kentucky raised this question at the time the Post Office and Civil Service bill (H.R. 3650) was being considered. I know he was glad to believe that it would be taken care of. I have talked to the majority leader, and I think we are in a position now to accept the amendment on the basis of seeing how it works this year. That is why we put in the proviso pertaining to the current fiscal year. On that basis, I move the adoption of the amendment.

Mr. ALLEN. Will the Senator yield once more?

Mr. HOLLINGS. Yes.

Mr. ALLEN. As to the amendment of the distinguished Senator from Kentucky (Mr. FORD), I notice the Senator from South Carolina added "during the current fiscal year." That could mean between now and October 1, I assume.

Mr. HOLLINGS. The current year for the appropriation bill.

Mr. ALLEN. The current fiscal year——

Mr. HOLLINGS. We will amend it to put in "during the fiscal year ending September 30, 1977."

That is a good suggestion by the Senator from Alabama.

Mr. FORD. I yield back the remainder of my time.

Mr. HOLLINGS. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Kentucky.

The amendment was agreed to.

UP AMENDMENT NO. 433

Mr. HOLLINGS. Mr. President, I have some housekeeping amendments, and I ask the attention of the Senator from Iowa.

We killed the proposal for the building at 400 North Capitol Street and we had some maintenance and operating money which already has been adopted by unanimous consent. We want to reduce that inasmuch as the Senate has decided not to purchase 400 North Capitol Street, there is an additional $3.5 million in the bill that should be deleted. On the other hand, to take care of the Ford amendment and the leasing of some space for the computer, to get it out of the street we need to insert $1,291,000.

Accordingly, I move that the amount of $13.408 million for Senate Office Buildings, on line 14, page 36, be reduced to $10.408 million; that the amount $11.672 million for Capitol Power Plant, on line 2, page 40, be reduced to $11.172 million.

The PRESIDING OFFICER. Will the Senator send his motion up?

Mr. HOLLINGS. I move that.

Mr. FORD. Will the Senator from South Carolina yield for a question?

Mr. HOLLINGS. Yes.

Mr. FORD. If the building at 400 North Capitol Street had been purchased, we were up to within $150,000 of the total for this bill under the budget resolution. This does not in any way alleviate the amendment that I placed on the bill?

Mr. HOLLINGS. That is right.

Mr. FORD. It does not bother that at all?

Mr. HOLLINGS. It does not bother that at all.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from South Carolina.

The assistant legislative clerk read as follows:

The Senator from South Carolina (Mr. HOLLINGS) proposes a technical amendment unprinted No. 433: That the amount of $13,408,000 for Senate Office Buildings on line 14 of page 36 be reduced to $10,408,000; and that the amount $11,672,000 for Capitol Power Plant on line 2 of page 40 be reduced to $11,172,000.

Mr. HOLLINGS. I move the adoption of the amendment.

The PRESIDING OFFICER. Is all time yielded back?

Mr. HOLLINGS. Yes.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Carolina.

The amendment was agreed to.

UP AMENDMENT NO. 434

Mr. HOLLINGS. Mr. President, I offer the following amendment: On page 10, line 6, delete $17,807,000 and insert $19,098,000: *Provided*, That not to exceed $736,000 shall be available for the lease and alteration of space for the Senate Computer Center if the Committee on Rules and Administration determines that such facility cannot be located in existing space available to the Senate or the House of Representatives.

The PRESIDING OFFICER. The Chair inquires of the Senator, is this offered in the nature of an amendment?

Mr. HOLLINGS. That is right.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 10, line 6 delete $17,807,000 and insert $19,098,000: *Provided*, That not to exceed $736,000 shall be available for the lease and alteration of space for the Senate Computer Center if the Committee on Rules and Administration determines that such facility cannot be located in existing space available to the Senate or the House of Representatives.

Mr. ALLEN. Will the Senator yield for a question?

Mr. HOLLINGS. Yes.

Mr. ALLEN. As I understand the Senator, this is some sort of computer center——

Mr. HOLLINGS. That is right. The second computer for the Senate comes in at the end of the year and we have no place for it.

Mr. ALLEN. This is location?

Mr. HOLLINGS. That is right.

Mr. ALLEN. It would not be located at 400 North Capitol, would it?

Mr. HOLLINGS. It could be. What we have put in there is language to make it explicit, frankly, under the suggestion of the Senator from Iowa. He had been over to see the FBI annex. That is why we said in the amendment as it reads, "Senate or House of Representatives." We shall attempt to get space over there in the FBI annex. We shall try to get it in any other existing facility. If we cannot get it in any other existing facility, the Sergeant at Arms has the authority to lease space there.

Mr. ALLEN. I think the Senate has pretty well spoken on that issue. If we are going to have a $17 million rental situation here, I think it is something we want to give more consideration to.

Mr. HOLLINGS. It is not a $17 million rental.

Mr. ALLEN. I understand the figure to be that.

Mr. HOLLINGS. That was the final figure for all the amounts, of which the original amount of $17,807,000 was for the usual miscellaneous items of the Senate. It was only $736,000. There is an actual breakdown that I had here, which is if we add the leased space, we have to have additional air-conditioning for the computer—the beefed up electrical power supplies really are the major cost—and to raise the floor, if we use that space. But the admonition in this amendment,

and we make it in the RECORD right now, is to try to use the existing facilities—this is for the Committee on Rules—in the Senate or House of Representatives.

Mr. CULVER. If the Senator will yield for a point of clarification for the Senator from Alabama, the $17 million figure the Senator from Alabama has reference to is for the entire category.

Mr. HOLLINGS. The entire category.

Mr. CULVER. We are talking, in this particular instance, for the possible rental of computer space, of $700,000.

Mr. HOLLINGS. That is right.

Mr. CULVER. It expressly provides, as well, it is my understanding, that the terms of such lease rental should be in the $7-per-square-foot range.

Mr. HOLLINGS. Right.

Mr. CULVER. Third, it also expressly provides that before any lease obligation is undertaken, every effort should be made to obtain space free to the taxpayer in terms of in the House of Representatives such as the ex-FBI building, where the House computer system is for an interim period until the Dirksen extension is completed in mid-1979, where an elaborate, completed computer center is already planned. Is that correct?

Mr. HOLLINGS. That is correct.

Mr. ALLEN. What limitation is placed on the length of any such lease under the terms of the amendment?

Mr. CULVER. I think it is up to 5 years.

Mr. HOLLINGS. Yes, and in last year's supplemental bill, the Sergeant at Arms is authorized to lease for 5 years.

Mr. CULVER. Instead of $17 million, we are talking about the possible expenditure of $700,000 only if space is not currently available within existing facilities; and second, if it is obtained on the outside, it will be done at a highly competitive rate of $7 plus per square foot. And the Committee on Rules has to approve any such lease arrangement before it is completed.

Mr. HOLLINGS. That is right. Any kind of lease will have to be approved by the committee as well as the Senate, as we provided last year.

Mr. CULVER. I do not believe even the second computer 350 will be here until next year and there is space in the ex-FBI Building that could be provided where the House computers are, at least until we get this extension completed.

Mr. MATHIAS. Will the Senator from South Carolina yield for a question?

Mr. HOLLINGS. Yes.

Mr. MATHIAS. Do we want to dispose of this amendment first?

Mr. HOLLINGS. Yes.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Carolina.

The amendment was agreed to.

Mr. MATHIAS. Mr. President, I want to ask the Senator from South Carolina, so we are perfectly sure what we are doing here, in this legislation, we have waived the annual cost-of-living increase for Members of Congress; is that correct?

Mr. HOLLINGS. That is correct.

Mr. MATHIAS. Have we also affected, in any way, the provisions of section 225 of the Federal Salary Act, which provides for a quadrennial comparability review, and has that been stricken from the statute by the action on this amendment?

Mr. HOLLINGS. This is the present status, and we are ready to vote passage unless there are further amendments. What we have done is this: We still have the Commission, we have the organism. They will make a recommendation, but if they recommended that $5 more be paid, under this Appropriations Act, none of that money could be expended from it for Members of Congress.

Mr. MATHIAS. But the recommendation will still come forward?

Mr. HOLLINGS. That is right, it will still come forward and it will come forward under executive pay and judicial pay and legislative pay. But as concerns congressional legislative pay, it will not apply, because we cannot use any of the money.

Mr. STEVENS. May I enter just one question? Was it the intent of those who offered the amendment, I might ask, to touch only the cost-of-living increase and the payment of that, or was it the intent to anticipate the quadrennial review for comparability and prevent any consideration of those also? I think the Senator from Maryland has raised a very interesting point. Some people may not know that one is a cost-of-living annual adjustment; the other is a quadrennial report of the Commission based upon comparability throughout the economy. For one, I do not see any reason why we should prejudge what that might be. That might actually be——

Mr. HOLLINGS. Well, we have prejudged it, because the language was clear. I have the section 225(f)(A). That refers to Senators, Members of the House of Representatives, and, if anyone is interested, the Resident Commissioner from Puerto Rico. That is the only gentleman I have not heard from.

I am ready for the vote on passage.

Mr. STEVENS. Mr. President, if the committee will accept it, I am prepared to offer an amendment which says, "except increases submitted by the President pursuant to section 225 of the Federal Salary Act of 1967." Those recommendations have to be approved next year if such recommendations are made. I think we should not prejudge that comparability. I understand we have judged the cost-of-living increase.

Mr. TAFT. Mr. President, I should hate to adopt that amendment, because it is directly contrary to what I think the expressed will of the Senate was. I tried to make the point all through yesterday that the point of an amendment was really to urge the Senate to abandon the Commission and recommendation system as far as the Senate and House of Representatives are concerned. It is the same as the Senator from Virginia mentioned tonight. We ought to take early legislative action to uncouple the legislative branch from the other factors in this bill. To take the action the Senator from Alaska is recommending could go directly contrary to what I think was the direction the Senate indicated it wanted to go in, and that is to set us aside, handle it separately and differently from the other entities. I shall be constrained to oppose the amendment.

Mr. WILLIAM L. SCOTT. Mr. President, I would hope that the distinguished Senator from Alaska would offer his amendment, because I believe that the sense of the Senate has been, and the constituents have been, concerned about our not voting to set our pay and, as I understand it, there would be a Commission recommendation. It is a quadrennial Commission which meets every 4 years, and we would have to act upon that, and we would have to vote "yea" or "nay."

I think sometimes we lose sight of the fact that there are only 535 Members of Congress. One out of every 10,000 Federal employees is a Member of either the House or the Senate, one out of 10,000. So it just seems to me we are degrading the Senate by saying that members of the executive branch can make more money than we can make and that members of the judiciary can make more than we can make.

If there is any such thing as three coordinate, coequal branches of the Government, we should not degrade ourselves. I would hope the Senator would offer his amendment.

Mr. HOLLINGS. Does the Senator offer his amendment?

UP AMENDMENT NO. 435

Mr. STEVENS. Yes, I will offer the amendment. I hope we will voice-vote it.

Mr. TAFT. Mr. President, I am going to ask for the yeas and nays.

The PRESIDING OFFICER. The clerk will report the amendment offered by the Senator from Alaska.

The assistant legislative clerk read as follows:

The Senator from Alaska (Mr. STEVENS) proposes unprinted amendment No. 435:

On page 18, line 6, strike the period and add the following:

"Except increases submitted by the President pursuant to section 225 of the Federal Salary Act of 1967."

Mr. STEVENS. I yield back my time.

The PRESIDING OFFICER. The Senator from Ohio is recognized.

Mr. TAFT. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

Mr. FORD. How many Members have to indicate they want a vote to be secured?

The PRESIDING OFFICER. Fifteen.

Mr. FORD. Fifteen Members.

The PRESIDING OFFICER. Is there a sufficient second for the yeas and nays?

SEVERAL SENATORS. Voice vote.

Mr. HOLLINGS. The hour is late.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Alaska (Mr. STEVENS). The clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Virginia (Mr. HARRY F. BYRD, JR.) the Senator from California (Mr. CRANSTON), the Senator

from Missouri (Mr. EAGLETON), the Senator from Ohio (Mr. GLENN), the Senator from Michigan (Mr. PHILIP A. HART), the Senator from Indiana (Mr. HARTKE), the Senator from Minnesota (Mr. HUMPHREY), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Louisiana (Mr. LONG), the Senator from Wyoming (Mr. MCGEE), the Senator from South Dakota (Mr. MCGOVERN), the Senator from New Hampshire (Mr. MCINTYRE), the Senator from Montana (Mr. METCALF), the Senator from Minnesota (Mr. MONDALE), the Senator from New Mexico (Mr. MONTOYA), the Senator from Utah (Mr. MOSS), the Senator from Wisconsin (Mr. NELSON), the Senator from Rhode Island (Mr. PASTORE), the Senator from California (Mr. TUNNEY), the Senator from Colorado (Mr. GARY HART), the Senator from Illinois (Mr. STEVENSON), and the Senator from Missouri (Mr. SYMINGTON) are necessarily absent.

I further announce that, if present and voting, the Senator from Minnesota (Mr. HUMPHREY) and the Senator from Rhode Island (Mr. PASTORE) would each vote "yea."

Mr. HUGH SCOTT. I announce that the Senator from Maryland (Mr. BEALL), the Senator from New York (Mr. BUCKLEY), the Senator from Nebraska (Mr. CURTIS), the Senator from Michigan (Mr. GRIFFIN), the Senator from Nevada (Mr. LAXALT), the Senator from Illinois (Mr. PERCY), and the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

I also announce that the Senator from Arizona (Mr. GOLDWATER) is absent on official business.

The result was announced—yeas 41, nays 28, as follows:

[Rollcall Vote No. 574 Leg.]

YEAS—41

Abourezk	Fong	Mathias
Baker	Ford	McClellan
Biden	Gravel	Muskie
Brooke	Haskell	Packwood
Bumpers	Hatfield	Pearson
Burdick	Hathaway	Pell
Byrd, Robert C.	Hollings	Ribicoff
Cannon	Huddleston	Schweiker
Case	Inouye	Scott, Hugh
Church	Jackson	Scott, William L.
Clark	Javits	Stevens
Culver	Johnston	Tower
Dole	Magnuson	Williams
Eastland	Mansfield	

NAYS—28

Allen	Hansen	Sparkman
Bartlett	Helms	Stafford
Bellmon	Hruska	Stennis
Bentsen	Leahy	Stone
Brock	McClure	Taft
Chiles	Morgan	Talmadge
Domenici	Nunn	Thurmond
Durkin	Proxmire	Young
Fannin	Randolph	
Garn	Roth	

NOT VOTING—31

Bayh	Hart, Gary	Mondale
Beall	Hart, Philip A.	Montoya
Buckley	Hartke	Moss
Byrd, Harry F., Jr.	Humphrey	Nelson
	Kennedy	Pastore
Cranston	Laxalt	Percy
Curtis	Long	Stevenson
Eagleton	McGee	Symington
Glenn	McGovern	Tunney
Goldwater	McIntyre	Weicker
Griffin	Metcalf	

So the amendment was agreed to.

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

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

The motion to lay on the table was agreed to.

ADDITIONAL STATEMENTS

Mr. PERCY. Mr. President, throughout my tenure in the Senate, I have found that a significant portion of wasteful Government spending is attributable to occasions where relatively small amounts of money, considered too paltry to fuss over in overall budget terms, are thoughtlessly frittered away through inefficiency, lack of initiative and foresight, or just plain habit. To paraphrase my distinguished, late colleague from Illinois, Everett Dirksen, I would point out that if you spend a million here and a million there, pretty soon it all adds up to real money; and real money whose expenditure accomplishes nothing.

Seeking out these individual instances and eliminating the wasteful spending is, surprisingly, often more difficult to accomplish than getting up on the Senate floor and proposing a 10-percent across-the-board cut for the budget of one agency or another. It is much easier to make the grand gesture of sweeping budget cuts, leaving the agencies to figure out where they should be applied, than to research, investigate, and eliminate less visible spending and programs with entrenched constituencies.

Today the Senate has taken the opportunity to set an example for the rest of the Government by "cleaning up its own house" as it acted on the legislative appropriations bill. I was pleased to be a cosponsor of the amendment by the Senator from Oklahoma (Mr. BARTLETT) that would approximately halve the number of elevator operators working on the automatic elevators in the Capitol complex. This amendment was drafted pursuant to the recommendations of the Architect of the Capitol and is long overdue. There is no reason I can think of to require the services of a paid employee on an automatic elevator, particularly in light of recent expenditures to convert these cars from manual to automatic. We can all push our own buttons, Mr. President. This is no burden. The Bartlett amendment still allows the retention of half the present force so that some personnel can be assigned to areas in the Capitol complex where there is heavy tourist traffic and where human assistance might be required for giving directions and other information.

Mr. President, this was a simple amendment. We are eliminating extraneous personnel, we are going to save about one-half million dollars a year. I voted for it and hope it will be accepted in conference by the other body.

Later today, we considered an amendment to authorize Senate purchase of property at 400 North Capitol Street, for office space. I oppose this amendment. I do not deny that we need space now and, as time goes by, we will need more. These space requirements, however, are the prime reasons we decided to build the Hart extension to the Dirksen Building. What we need now is temporary space to tide us over until the extension is completed—not a $32 million real estate investment. In addition, I understand provision has been made for this temporary space.

As the Senator from Iowa (Mr. CULVER) and the Senator from New Mexico (Mr. DOMENICI) pointed out in their recent letter to all Senators, there is presently no systematic procedure for assessing the Senate's future space requirements and allocating available space equitably and efficiently among numerous activities. The Temporary Commission on the Operation of the Senate is currently looking into this and it is only commonsense to await the Commission's recommendations before acquiring any more permanent property. Second, purchase of this property was rejected by the Public Works Committee and was not formally considered by the Rules Committee. Rejection of this purchase today would save the taxpayers in excess of $35 million and puts the Senate on sound footing in the management of its own affairs.

Mr. GARY HART. Mr. President, the Senate conducted a series of votes yesterday on the subject of automatic cost-of-living salary raises.

I do not favor allowing automatic raises for Members of Congress, and my voting record on this issue has consistently reflected this position.

However, I do not believe that Federal judges and other Federal employees should have their financial well-being involved in deliberations over congressional salaries, nor should they be financially penalized for their decision to work in Government service.

According to the description of the floor manager yesterday, the Appropriations Committee amendment striking a portion of title II of H.R. 14238 would have removed this penalty against Federal employees, and I voted for the amendment for this reason.

It was not, however, my intention in casting this vote to allow automatic cost-of-living raises for Members of Congress, nor was it my understanding that the amendment would have that effect.

Mr. BARTLETT. Mr. President, during the proceedings late yesterday on H.R. 14238 a rather indefinitive vote was taken concerning the Taft amendment. As this bill was reported from the House, automatic pay raises for Members of Congress, Federal judges, and high-level employees of the executive branch were eliminated. The Taft amendment restored the automatic pay increase for Federal judges and Federal executives.

I opposed the Taft amendment because I cannot support automatic salary increases for high-level Federal employees whether they be Members of Congress, Federal judges, or employees of the executive branch.

After the passage of the Taft amendment by voice vote, a motion was made to reconsider that vote, and then a motion was offered to table the motion to reconsider. I voted against tabling the motion to reconsider in the hope that the Taft amendment might in fact be reconsidered and defeated, thus denying automatic pay raises for Federal judges and high level executive branch employees as well as Members of Congress.

The motion to table was passed, there-

by allowing the Taft amendment to stand. The second vote was on the Finance Committee amendment to entirely remove the language prohibiting pay raises. I voted "no" on this amendment and it was defeated.

Because of the keen public interest in this particular section of the legislative appropriations bill, I consider it important to fully explain the Senate proceedings on the Taft amendment and my position on the amendment and subsequent motions.

Mr. MUSKIE. Mr. President, the Senate has before it H.R. 14238, the legislative branch appropriation bill for fiscal 1977 which provides funds for the Congress, the Library of Congress, the General Accounting Office, the Government Printing Office, and other agencies. I take this opportunity to comment on the relationship between this bill and the targets set out in the first concurrent resolution on the budget for fiscal year 1977.

This bill provides $1,009 million in budget authority and $1,014 million in outlays for fiscal year 1977. Outlays arising from prior year appropriations amounting to $96 million are included in the totals.

The funds provided in this appropriation are virtually the same as the $1 billion in budget authority and outlays allocated by the Senate Appropriations Committee to the Subcommittee on the Legislative branch pursuant to section 302(B) of the Congressional Budget Act. They are also consistent with the Budget Committee's assumptions in the second budget resolution, which will be reported later this week.

This bill provides new budget authority and outlays in three functions of the budget, and is consistent with the assumptions made in the first and second budget resolution with respect to each of these functions. I ask unanimous consent to insert in the RECORD a table showing the distribution of budget authority and outlays in this bill by function.

I wish to commend the distinguished chairman of the Subcommittee on the Legislative Branch of the Appropriations Committee, Senator HOLLINGS, who is also a member of the Budget Committee, and the distinguished chairman of the Appropriations Committee, Senator MCCLELLAN, for their dedicated efforts which resulted in bringing in a bill which is within the guidelines of the budget resolutions.

H.R. 14238, the legislative branch appropriation bill 1977

($ millions)

Function	Senate Reported Bill	
	Budget Authority	Outlays
400—Commerce and Transportation	10	10
500—Education, Training, Employment and Social Services	109	107
800—General Government	889	897
Total	1,009	1,014*

* Includes $96 million in prior year outlays.

Source: Congressional Budget Office.

Mr. MATHIAS. Mr. President, the issue of equitable pay, a comprehensive benefits package, and proper job classification for Federal civil servants has been the subject of study by the Rockefeller Commission on Federal Compensation, the General Accounting Office, the Civil Service Commission, and the Office of Management and Budget.

A comprehensive review of the present civil service compensation system was made by the Rockefeller Commission, which issued its report to the President in December of 1975.

That report suggests a procedure through which the President's pay agents could have recommended cost-of-living pay increases for Federal civil servants if all of its points had been weighed carefully.

The unfortunate thing about the pay raise actually recommended was that it proposes the smallest increases for those at the bottom of the General Schedule scale and the largest increases for those at the top.

The President's pay agents, who are the OMB Director and the Civil Service Commission Chairman, apparently revised their formula for determining "comparability" with the private sector based on a new statistical "curve" which has not been agreed to by the Federal Employees Pay Council.

Let me review for my colleagues some of the recommendations made by the Rockefeller Commission on Federal Compensation, all of which deserve careful attention in any comprehensive process.

First. The proliferation of pay schedules should be reviewed for potential consolidation into a uniform schedule so that all Federal civil servants are paid equally for equal work.

Second. Comparability in salaries with the private sector is reaffirmed as the cornerstone of the system.

Third. A uniform benefits package should be available for all Federal employees.

Fourth. Two new categories of employees were suggested: a clerical/technical service—covering approximately 600,000 employees and the Professional/Administrative / Managerial / Executive Service—covering approximately 800,000 employees.

Fifth. The Clerical/Technical Service would be paid at a level comparable to the prevailing private sector rates by local job market.

Sixth. The Professional/Administration Managerial/Executive Service would base pay increases on merit, not longevity.

Seventh. The salary level for the Executive Level Service should be increased substantially to relieve the "compression" on the ceilings in supergrade salaries. In addition, the pay link between the executive and congressional salaries should be separated.

Eighth. A review should be conducted in the area of premium pay—overtime, holiday pay, et cetera.

Ninth. The panel made no recommendations concerning postal employees pay since they are currently subject to collective bargaining for rates with USPS.

As my colleagues can readily see, the principal area where progress has been made on these recommendations is item No. 7. The vote yesterday in this body to permit an increase in executive level salaries while retaining a freeze on congressional salaries is a step toward arriving at a just and fair compensation system for our dedicated civil service work force.

The action yesterday will affect approximately 9,000 Federal employees at the top level of the scale or about 0.3 percent of the total Federal work force.

What we must concern ourselves with now is the President's proposed pay increases for the other 2,922,000 Federal civil servants. If the President adopts the suggestion of his pay agents, those at the lower GS 1–6 levels will receive a 4 percent increase. This is the clerical service part of the general schedule as well as other technical positions. It comprises about 421,000 civil servants and is overly represented by women and minorities—83.6 percent.

Mr. President, I ask unanimous consent that table D–7 of the Pay Agents' Report showing number and percent of full-time GS employees by grade and sex be printed in the RECORD at this point.

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

TABLE D-7.—NUMBER AND PERCENT[1] OF FULL-TIME GENERAL SCHEDULE EMPLOYEES BY GRADE AND SEX, DECEMBER 1973

Grade	Employment				
	Number			Percent	
	Total	Male	Female	Male	Female
Total GS 1–15	1,291,057	758,578	531,002	58.8	41.1
GS–1	3,487	974	2,497	27.9	71.6
GS–2	34,486	7,089	27,150	20.6	78.7
GS–3	103,798	21,875	81,563	21.1	78.6
GS–4	161,672	39,246	122,202	24.3	75.6
GS–5	171,494	58,387	112,933	34.0	65.9
GS–6	79,461	26,038	53,394	32.8	67.2
GS–7	117,898	68,279	49,499	57.9	42.0
GS–8	25,864	14,776	11,081	57.1	42.8
GS–9	129,979	99,937	29,950	76.9	23.0
GS–10	22,376	17,120	5,252	76.5	23.5
GS–11	141,722	123,307	18,340	87.0	12.9
GS–12	128,276	118,425	9,787	92.3	7.6
GS–13	100,674	95,722	4,920	95.1	4.9
GS–14	46,404	44,617	1,761	96.1	3.8
GS–15	23,466	22,786	673	97.1	2.9

[1] Due to a small amount of unspecified data, total employments will be slightly greater than the sums of the male and female employments, and percents may not total 100 percent.

Mr. MATHIAS. As the GS level goes higher, the President's pay agents recommend higher and higher percentages for cost-of-living increases reaching a top of 11.82 percent for GS–18.

Such a wide range in proposed pay increases leaves me baffled as to what equity there is in such a system and the extent to which the pay agents' own dictum of "equal pay for equal work" is being followed.

The pay agents' report to the President was dated August 25, 1976, just 6 days before the statutory deadline for the President to decide on a cost-of-living adjustment for Federal workers. September 1 passed, and the Congress did not hear from the President recommending an alternative pay increase schedule than that presented to him by the pay agents. This raises the possibility that the President may go along with this

proposed graduated pay increase scale for civil servants.

The net effect of such increases, to my mind, is that those at the bottom of the GS scale—those lowest paid and heavily represented by minorities and women—will be short changed in the process. Do we really want to see this happen? I, for one, think not.

I have written to the President pointing out this inequity in proposed pay increases and suggesting that he should reconsider his position.

The Rockefeller report recommended sweeping changes in the way our Federal compensation system is designed. However, when only one of those recommendations has been acted on—and acted on in the Senate—it is hardly fair to begin a sweeping change in cost-of-living adjustments for Federal workers which can only come about as a result of those other Rockefeller recommendations being looked at in depth and acted upon.

Yesterday's debate on freezing executive level salaries included a discussion of the problem of attracting and retaining highly motivated highly qualified employees to the civil service. Yet that problem is not confined to the upper echelons of Government.

A proposed 4 percent increase for civil servants in grades 1–6 while others are to receive increases ranging from 5 to 11.82 percent will only exacerbate the turnover of dedicated, competent clerical and technical workers. It will reduce working morale among lower grade Federal employees and cause them to seek employment out of Government.

These are just the people we must be trying to retain for they are the backbone of our civil service. They are the file-clerks; the typists; the delivery and shipping clerks; the keypunch operators; the messengers; the draftsmen; the stenographers; accounting clerks; accountants; and engineers. We cannot afford to lose such good people.

As a result of the pay agents' recommendations, three of the five members of the Federal Employees Pay Council resigned from the council. I ask unanimous consent that their letters of resignation appear in the RECORD at the conclusion of my remarks, as well as the council's comments on the pay agents' proposal.

Mr. President, I only wish to quote from one paragraph of one of those resignation letters to graphically portray the situation in which lower GS level civil servants find themselves.

In commenting on the lopsided salary increases recommended, one of the public employee representatives pointed out:

> The result of this imbalanced and inequitable system has caused federal workers to suffer enormous losses in their buying power and in their standard of living. A GS–5, Step 4 worker's buying power in 1967 constant dollars was $6,886 four years ago in October, 1972. By June, 1976, the constant dollar earnings of this employee had dropped by over a thousand dollars to a level of only $5,772. Further, a GS–1, Step 1 worker in 1972, for example, earned $7,694. This was $308 more than the lower level budget of an urban family of four as then determined by BLS. But if the Pay Agent's recommendations are accepted, we estimate that same worker will be $729 below the lower level budget by October, 1976. There is a terrible injustice here which must be rectified.

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

FEDERAL EMPLOYEES PAY COUNCIL,
Washington, D.C. June 9, 1976.

The Federal Employees Pay Council cannot accept the Agent's staff's proposal as the appropriate estimated October 1, 1976 comparability pay line for Federal white collar employees and military uniformed personnel.

With regard to this proposal, the Federal Employees Pay Council rejects the global increase, the distribution among grades and the specific new methodologies used to derive the pay line.

The Federal Employees Pay Council notes that, based on an estimated PATC increase (March 1975–March 1976) of 6.6%, the Agent's staff's proposal produces a Federal global increase of only 5.0541%, distributed variously in a novel pattern among grades. This 5.0541% includes the 3.66% loss imposed on Federal employees by the President's alternative plan for fiscal year 1976, reducing the indicated Federal pay increase from 8.66% to 5.0%.

Significantly, this Agent's staff's proposal is really only one of five alternative proposals developed by the "staff of the Civil Service Commission", all producing global increases in the vicinity of 5.0%.

The Federal Employees Pay Council notes that these global 5% results coincide neatly with the President's budget message submitted to Congress in January 1976. The Federal Employees Pay Council believes that the President's Agent should expect the 1.5 million Federal employees and 2.5 million military uniformed personnel to marvel greatly at this extraordinary coincidence between a President's desired 5% and a staff's adroitness to provide the same 5.0% result by a new methodology devised this year.

For its part, the Federal Employees Pay Council cannot, in good conscience, be a party in such a posture.

The Federal Employees Pay Council reiterates its long-standing position, enunciated and reiterated throughout this year. It asks at the minimal for no further departure this year from the methodology imposed upon it and Federal personnel through the Dual Pay Line.

This Dual Pay Line methodology shows an estimated pay increase on October 1, 1976 of 8.2%. That 8.2% is computed on the basis of definitions of Secretary and Computer Operator to which the Council strongly objects. Thus, in accepting the 8.2% as a minimum, the Federal Employees Pay Council is granting, for the time being, a computation which the Federal courts may reverse.

The global 8.2% minimum can be derived also from the alternative formula suggested in 1974 by the Advisory Committee on Federal Pay—a system of indexation.

Assuming the same March 1975 to March 1976 Hourly Earnings Index increase which the Agent used, the proper indexation should be to the 1975 base rate prior to the recommended 8.6% increase due in October 1975. Of this, 3.6% was lost through the 5.0% cap. Thus the proper current index rate would be 6.6% plus the lost 3.6%, which give 10.2%. Conceding the same 2.0% decrease from the exclusion of the disputed Secretary and Computer Operator definitions in the BLS survey for 1975, the adjusted result would be 8.2%.

Some persons might argue that the indexation procedure, itself being a new methodology, should relate only to the actual rates now paid the Federal employees, based on the 5.0% cap imposed by the President's alternative plan. Even on this computation, the pay increase should be identical with the HEI movement from March 1975 to March 1976, now estimated at 6.6% in terms of its PATC equivalent.

It is an interesting circumstance that 6.6% falls mid-way between 8.2% and 5.0%, being 1.6% above the latter and 1.6% below the former.

PREFATORY REMARKS

AUGUST 18, 1976.

The President of the National Treasury Employees Union, Mr. Vincent Connery, has declined to participate in the preparation of this Report or to sign any document submitted by the three majority members of the Federal Employees Pay Council on Council letterhead. He construes that the three majority members are not entitled to submit a Council Report because of their letters of resignation dated August 11, 1976. The majority members dispute this construction and contend that their obligations under the Federal Pay Comparability Act of 1970 require them to submit this Report. They point out that their resignation followed delivery of the draft of the Agent's Report for their comment and, in their view, this Report therefore is an integral part of, and completes, their resignation action as Council members. The majority members do not consider that they have the authority to exclude any Council member from the right to review, sign, or dissent from the majority view, or take such other action as he may wish. For this reason, the majority have listed all five members on the letterhead, as heretofore, and have provided a place for signature by each of the Council members.

REPORT

During the last year, the Federal Employees Pay Council extended to the President's Pay Agent the utmost cooperation in seeking to develop within the criteria of the Pay Comparability Act, a new system of setting Federal pay on the basis of comparability. This spirit of cooperation emanated from initiatives which the Council itself had undertaken three years earlier to introduce a proper system of weighting to replace the biased system which the Pay Agent has been using—for example, granting more than fifty times the weight to the Federal population at GS–1 than to the Federal population at GS–5. This latter system did not, in our judgment, comply with the intent of the Pay Comparability Act.

In the process, the most critical issue which needed to be resolved was a clear understanding by all parties of the weight which the Pay Agent was prepared to give to the role of the Council and whether such weight would be as great as that intended by the Act. The Council repeatedly requested the Agent to designate clearly those matters which the Pay Agent itself considered to be "policy" matters and those which it regarded as "technical". To this end, the Council on November 19, 1975, submitted a written statement of its own principles and requested a written response from the Pay Agent. The Agent has yet to reply.

Despite repeated rebuffs, the Council persevered in a policy of cooperation and conciliation because of its desire to preserve the mechanism established by the Pay Comparability Act for setting the pay of Federal white-collar and military uniformed personnel.

It was therefore greatly encouraged when the Advisory Committee on Federal Pay undertook to mediate between the Agent and the Council to assure that a proper forum of constructive discourse was created. This was the kind of role which the Pay Comparability Act intended for the Advisory Committee.

The decision of the Advisory Committee on Federal Pay was taken at a critical juncture when the Council members were deliberating whether anything could be salvaged from the looming wreckage of the present system because of the adamant and unilateral stand taken by the Agent on the crucial issue of the definitions given to the Bureau of Labor Statistics regarding Secretaries and Computer Operators. The Council favored the inclusion of these two occupations in the BLS survey; however, it considered the specific language of the Agent's definitions to have the ulterior purpose of depressing the Federal payline rather than of better achieving the comparability objective of the Act.

The Agent's insistence on introducing the disputed definitions, without any modification whatsoever, was the first major indication to the Council of the determination of the Agent to impose the so-called "PATCO" weighting system at all costs, despite the fact that it was incomplete in structure and premature. This made a mockery of the careful planning by the Congress of the roles of the Agent, Council, and Advisory Committee when it set up the present system. We regard this action to be arbitrary and in violation of the purposes of the Act.

The second indication of the absolute determination of the Agent to impose its quasi-weighting system, regardless of the intent of the Congress, appeared in the President's budget message. President Ford, for the public record, stated that "it is anticipated that these changes in the survey will reduce the average comparability increase in October 1976 from the earlier estimate of 11.5%, although the exact amount cannot as yet be determined. . . . The budget assumes that October 1976 pay increases for white-collar employees will be limited to 5%. . . . The estimated average increase is 4.7%. A full return to comparability is assumed for 1978." This pre-judgment by the President and the Agent was arbitrary and capricious and not in accord with the purposes of the Act.

Almost simultaneously with the President's statement that the "exact amount cannot as yet be determined," the Assistant Director for Budget Review of the Office of Management and Budget, Mr. Dale R. McOmber, was transmitting, on January 26, 1976, to Congressional Committees data showing that the proposed "administrative changes" would, in fact, reduce the "comparability figure" by 5.5%. Neither of the above documents were discussed by the Agent with the Council.

As the Report of the Agent for 1976 shows, this is precisely the reduction which eventuated. Instead of a 10.3% increase, predicated on the existing PATC formula, the President's Agent has derived a pay increase of 4.8%—as anticipated by Mr. McOmber, precisely 5.5% lower than that indicated by the previous methodology.

The evidence thus indicates that the Agent knew exactly the impact of the PATCO system as far back as mid-January 1976.

The President's budget message obviously was completed in late 1975. The decision of the Agent to introduce the disputed Secretary/Computer Operator definitions into the 1976 BLS survey was communicated by the Agent to the Bureau of Labor Statistics on December 11, 1975. It is evident that this most important policy decision had been taken in late 1975, although the Agent continued throughout 1976 to give lip service to the statutory requirement that it would give serious consideration to the views of the Pay Council. This action, also, was inconsistent with the intent of the Pay Comparability Act.

DESPERATION AND DECEIT BY THE PAY AGENT

These decisions, made by the White House in conjunction with the Office of Management and Budget, but without consultation with the Advisory Committee or the Council, reveal the lengths to which the Agent was prepared to go to deceive the Council and the Advisory Committee on Federal Pay. While claiming to be interested in structural reform, the evidence shows that the Agent's principal concern was to accommodate the President's budgetary program and to avoid the need to submit an Alternate Plan to Congress in an election year, rather than to carry out the purposes and intent of the Act and to recognize the roles that the Congress intended for the Council and the Advisory Committee.

THE PHONY "PATCO" VIOLATES THE STAFF'S OWN RECOMMENDATIONS

A major problem confronting the Agent was a total ignoring of those portions of the technical "Staff Report" which clearly presented the preconditions which had to be created before one could install the so-called PATCO system. The most crucial of these was the introduction of new definitions and new occupations into the survey of the Bureau of Labor Statistics.

The "Staff" conclusion thus was identical with the one reached independently by the Council.

The Staff study on necessary structural reforms, entitled "The Staff Technical Paper", was available to the Agent in March 1975.

Extracts, in the form of photocopies of relevant pages are attached to this statement of the Council with the request they be included in the Agent's Report to the President.

On pages 8–10 of the "Staff Technical Paper", there appears a report of the "Model PATC Survey Job List" essential to the Agent's PATCO system. The following quotation is sufficient to show the judgment of the "Staff" as to the major revisions necessary in the BLS survey to accomplish the PATCO methodology:

"The application of the job selection criteria expands the current job list from 19 occupations and 80 work levels, to a recommended maximum list of 28 occupations and 135 work levels. The new list does not include five currently surveyed jobs—accounting clerks, keypunch operators, keypunch supervisors, drafter, and job analysts—because they do not meet the numerical significance tests. These five jobs comprise 15 work levels. The recommended job list is a significant improvement over current job selection in terms of representation of the Federal workforce. The present list 'represents' about 25% of G.S. employees. Full implementation of the new job list would result in about 45% coverage, an increase of about 80%."

Stated succinctly, five of the 19 present occupations, with 15 work levels are to be dropped, resulting in a balance of 14 present occupations with 65 levels of work. To these are to be added 14 new occupations with 70 work levels.

In short, the BLS survey has to be radically restructured to achieve the goals of PATCO.

The Council's position is identical with that of the Agent's "Staff" as to the necessity for the prior restructuring of the BLS survey before the introduction of the PATCO weighting technique. This is the only way to comply with the intent and purposes of the Pay Comparability Act under the proposed PATCO methodology.

THE AGENT AND THE PRESIDENT

Such a restructuring needs time, of course. And the problem confronting the Agent and its policy staff, as distinguished from its technical staff, was the lack of time. Regardless of the violence done to the intent of the Pay Comparability Act by such arbitrary actions, they had to achieve a result this year, reducing the payline by supposedly "technical" and "objective" means to eliminate the need for an embarrassing and controversial Alternate Plan in an election year.

The Council was fully aware of the intense pressures under which the Agent and its policy staff were operating. It realized that the President had given the Agent its "marching orders" and, as has so often happened in recent administrations, the President's desires and political needs were given priority by his appointees over the clear intent of the law.

The Council also realized that, unless some other realistic measures were taken, the Agent would become increasingly rigid, inflexible and deceptive and put off announcing its pay line until the very last moment.

One such realistic measure appeared in the role provided by the Advisory Committee on Federal Pay by appointing a mediator to deal with the impending crisis.

A second element was a proposal of indexation for this year, giving the Agent the necessary time to implement the "Staff" recommendations regarding the essential changes in the BLS survey during calendar year 1977.

The Council readily cooperated with both these opportunities in order to make it possible for the Agent to arrive at an honorable alternative, consistent with the recommendations of the "Staff" technical paper and also consistent with the purposes of the statute.

The principal goal of the Council was to concede every material point to the Agent so long as it did not involve the integrity or legality of the statutory pay setting process. Consequently, despite the fact that the Council continued to object, and still objects, to the definitions of Secretary and Computer Operator, it was prepared not to invoke this disagreement in its discussions on the proper payline. Instead, the Council heeded the advice of the Advisory Committee regarding the possibility of the use of indexation. It paid equal attention to the BLS report that the average wage increase for private white-collar pay at the clerical level was 7.3% and at the professional level was 6.7%.

The Council insisted that the proper pay measure this year should be 8.2%. Some of its members did recognize that 6.7% lay precisely midway between the results produced by the PATCO/SGH payline (5.1%) and the Agent's earlier Dual payline (8.2%, including the data on the disputed Secretary/Computer Operator definitions).

On the basis of report of the BLS that the PATC increase was 6.7% for private enterprise professional employees, four of the Council members felt that they would reluctantly accept this 6.7% across the board, Provided the Agent agreed to a two-year interval to study and introduce a proper permanent system of fairly setting Federal pay.

The National Treasury Employees Union member did not agree to any system of weighing and insisted on an 8.2% increase this year. Despite every accommodation by the Council, the evidence indicates that the Agent was simply overwhelmed by its desperate need to serve the convenience of the President in an election year. Consequently, it installed the PATCO/SGH line intact as developed by its policy staff. Furthermore, this policy staff ruled out of order every argument by the Council demonstrating that in fact the present PATCO/SGH formula violates the explicit findings of the Agent's technical staff, as incorporated in its lengthy study of the need to revise fundamentally the BLS survey by new definitions and new occupations, as well as the intent of the statute.

The purposes of the Council all this year were to preserve the good name and reputation of the Agent and of its policy staff and to follow the intent and purpose of the statute. For this reason, the Council went to great lengths to concede every point where the basic integrity and legality of the statutory system was not involved. The Council has an equal duty to preserve its own reputation and self respect as well. Consequently,

in light of the arbitrary, unilateral action of the Agent in installing the PATCO/SGH payline, without any modification, reservation, or phasing, and without regard to the intent of the Act and the statutory responsibilities of the Council, three members of the Council felt they had no choice but to resign. The Council notes that the remaining two members are submitting their joint views in another report.

Sincerely,

VINCENT CONNERY,
RICHARD GALLEHER,
DENNIS GARRISON,
THOMAS E. SWAIN,
NATHAN T. WOLKOMIR.

AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES,
Washington, D.C., August 11, 1976.

ROBERT E. HAMPTON,
Chairman, U.S. Civil Service Commission, Washington, D.C.

JAMES T. LYNN,
Director, Office of Management and Budget, Washington, D.C.

DEAR SIRS: I am submitting herewith my resignation from the Federal Employees Pay Council, effective today.

The Federal Pay Comparability Act of 1970 was enacted by Congress and signed by the President to assure that the pay of 1.5 million Federal white collar employees and 2.5 million military personnel is comparable to private enterprise pay at the same levels of difficulty of work.

The Federal Employees Pay Council has responsibilities to the President, to the Congress, to the principle of government by law, and to the Constitution of the United States to uphold all the provisions of the statute which established the Federal Employees Pay Council.

The unilateral and arbitrary decision of the President's Pay Agent to install in this election year both the so-called "PATCO" system and the so-called "SGH" payline, *without any modification, reservation or phasing,* violates the most fundamental principles of that statute.

Instead of comparability based on objective data, established techniques, and the spirit of the law, the Agent has manipulated the pay setting process to attain a 4.83% pay increase which coincides amazingly with the President's budget estimate of a 5.0% pay increase, submitted to Congress seven months ago in January 1976.

Through this device, the Agent has obviously served the convenience of the President during an election year. The result is that the Agent's proposal now eliminates the need to submit a controversial Alternative Presidential Plan to Congress by September 1976.

During the six years of implementation of the Federal Pay Comparability Act under Presidents Nixon and Ford, Federal pay rates have been manipulated in one fashion or another every year. This has resulted in a cumulative loss to date of almost 2.8 billion dollars in pay to Federal workers.

Last year alone, Federal employees and military personnel lost 1.522 billion dollars as a result of the President's alternate pay plan, depriving them of 3.66% of the pay increase they were due under comparability. The proposed 4.83% pay increase for fiscal year 1977, therefore, *really amounts only to 1.17%,* since it includes the "catchup" of the previously lost 3.66%. Moreover, the present proposal will deprive Federal employees and military personnel of a further 1.33 billion dollars in Federal pay this year. The cumulative grand total loss will exceed 4.0 billion dollars.

This massive discrimination is intolerable. Even more intolerable is the fact that the proposed "SGH" line provides GS–5 employees with only a 4.24% increase, or 0.58% over the 3.66% catchup. On the other hand, GS–15 employees will be receiving a 7.92% increase, or a 4.26% increase over the catchup; and GS–18 employees an 11.83% increase, or 8.17% more than the catchup.

The Agent seeks to justify this manipulation by its new methodology despite the fact that the Bureau of Labor Statistics clearly stated that private enterprise clerical pay rates increased 7.3% while the private professional pay increment was only 6.7%.

The Agent's action is even more unacceptable because of the mutual tripartite understanding (Pay Agent-Pay Council-Advisory Committee) that the Agent this year would accept advice also from the Advisory Committee on Federal Pay, and from its specially designated mediator, in connection with the matters of the so-called "PATCO" system and the so-called "SGH" payline.

It is now clearly evident that the advice of the Advisory Committee, of its special mediator, and of the Council collectively have had no influence at all with the Agent.

Under these circumstances, I cannot any longer continue as a member of the Federal Employees Pay Council. I therefore request that a copy of this letter be incorporated in the Agent's Report to the President for this year, together with such supplemental further comments which I shall be transmitting separately to you.

I am sending a copy of this letter also to other members of the Pay Council, to the Advisory Committee on Federal Pay, and to the Chairman and ranking minority members of the House and Senate Post Office and Civil Service Committees respectively.

Sincerely,

DENNIS GARRISON,
National President.

I concur fully with the views expressed by AFGE National President, Dennis Garrison, and submit herewith my own resignation from the Federal Employees Pay Council effectively concurrently with Mr. Garrison's resignation.

THOMAS E. SWAIN,
Executive Vice President.

PUBLIC EMPLOYEE DEPARTMENT,
AFL–CIO,
Washington, D.C., August 11, 1976.

ROBERT E. HAMPTON,
Chairman, U.S. Civil Service Commission, Washington, D.C.

JAMES T. LYNN,
Director, Office of Management and Budget, Washington, D.C.

DEAR SIRS: It is with reluctance that the AFL–CIO Public Employee Department must submit its resignation from the Federal Employees Pay Council, effective today.

The Public Employee Department, AFL–CIO, and the American Federation of Government Employees, AFL–CIO, have worked thousands of hours to try to make the process of setting white-collar federal pay work. For the past three years, we have watched all our efforts on behalf of federal workers bring no results whatsoever. On the contrary, we have seen the introduction unilaterally by the Pay Agent of a series of different statistical techniques employed as gimmicks to erode the pay comparability adjustments due federal white-collar workers.

In October, 1976, the pay comparability increase would be almost 12% if the same method of setting pay, without any statistical gimmicks, was used today as was used from 1969 through 1972. Indeed, even if the Dual Payline system, imposed by management over the strong objections of the Council and used during the years 1973 through 1975, were employed this year, the pay increase due federal workers would be 10.3%.

Despite the Public Employee Department's best efforts to see that some measure of fairness and justice was present in the federal pay setting process, this has not been realized. On the contrary, three separate statistical gimmicks have been unilaterally imposed upon federal workers by the Pay Agent. These "statistical techniques" have allowed the Pay Agent to reduce the proper comparability pay increase to the 5% predetermined budgetary target of President Ford. This political distortion of the Pay Comparability Act's intention has made a sham out of the entire pay setting mechanism.

In addition, the Pay Agent proposes giving the smallest adjustments to the lower grades, while allocating the largest increases to the highest levels. A GS–1 worker, for example, will receive an increase of only $250 while a GS–15 worker will receive an increase of $2,473.

The result of this imbalanced and inequitable system has caused federal workers to suffer enormous losses in their buying power and in their standard of living. A GS–5, Step-4 worker's buying power in 1967 constant dollars was $6,886 four years ago in October, 1972. By June, 1976, the constant dollar earnings of this employee had dropped by over a thousand dollars to a level of only $5,772. Further, a GS–1, Step-1 worker in 1972, for example, earned $7,694. This was $308 more than the lower level budget of an urban family of four as then determined by the BLS. But if the Pay Agent's recommendations are accepted, we estimate that same worker will be $729 below the lower level budget by October, 1976. There is a terrible injustice here which must be rectified.

The Public Employee Department, AFL–CIO, and the American Federation of Government Employees, AFL–CIO, have labored under the system through three years of predetermined Presidential budgetary actions being carried out through statistical gimmicks by the Pay Agent. During 1973 through 1975, federal white-collar workers lost over 4% of pay increases due to the dual payline statistical gimmick. In addition, they lost an additional 3.66% of income through the use of an alternate payline in 1975. Most importantly, needed reform of the pay setting process which would increase the pay adjustments going to federal workers have been totally disregarded by the Pay Agent, notwithstanding the merits and need for their implementation, which has been documented by the Federal Employees Pay Council.

The Congressional Budget Office in a study entitled "Federal Pay: Its Budgetary Implications," reviewed the discussions between the Pay Agent and the Pay Council. CBO estimated the approximate pay increases or decreases that would evolve from each of the issues being discussed. Five issues "on the table" many for three or four years, were identified by the CBO as having the potential effect of increasing federal pay comparability by a total of almost 18%. This is in addition to the 7% increase shown in the 1976 Bureau of Labor Statistics PATC Survey. The CBO noted that management proposals "on the table" results in a 5.5% decrease in federal pay. The proposal to decrease pay has been implemented by the Pay Agent. Once again, the union proposals have been left on the shelf.

The three unilateral actions taken by the Pay Agent this year were: 1. Insertion of two new invalid definitions into the Pay Comparability Survey; 2. Imposition of an improper method of weighting the BLS PATC data; and 3. Inversion of the Pay Distribution through a new pay setting curve called the SGH line.

The Pay Council was fully cognizant of the fact that the definitions for computer operators and secretaries were faulty and would produce inequitably low data in the pay survey. We challenged the validity of these definitions and requested that a third party decide their propriety. Though the Pay Council labored heavily and invested

hundreds of staff hours in this one issue, the results were predetermined. Not one comma, not one semicolon, not one word was changed in either of the definitions. A third party binding arbitration agreement to decide the merit of definitions was abandoned by the Pay Agent. The pay increase due federal workers in 1976 after the introduction of these two new definitions was reduced to 8.2% from 10.3%. The Pay Agent took two additional actions to further cut federal pay to achieve the budgetary directives of President Ford. These actions to lower federal pay totally ignore fairness, and equity for federal workers. The Pay Agent's decisions to selectively introduce and implement the new statistical gimmicks of PATCO weighting and SGH payline curve reduced federal workers pay by 5.5% down to only 4.83%.

The Public Employee Department can no longer participate in such an unfair, inequitable and unjust process that results in federal pay cuts in the name of statistical gimmicks rather than in adherence to the legal and moral principles encompassed in the Pay Comparability Act of 1970.

Sincerely,

RICK M. GALLEHER.

Mr. MANSFIELD. Third reading, Mr. President.

Mr. HOLLINGS. Third reading.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays on final passage.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The bill having been read a third time, the question is, Shall it pass?

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 Indiana (Mr. BAYH), the Senator from Virginia (Mr. HARRY F. BYRD, JR.), the Senator from California (Mr. CRANSTON), the Senator from Missouri (Mr. EAGLETON), the Senator from Mississippi (Mr. EASTLAND), the Senator from Ohio (Mr. GLENN), the Senator from Colorado (Mr. GARY HART), the Senator from Michigan (Mr. PHILIP A. HART), the Senator from Indiana (Mr. HARTKE), the Senator from Minnesota (Mr. HUMPHREY), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Louisiana (Mr. LONG), the Senator from Wyoming (Mr. MCGEE), the Senator from South Dakota (Mr. MCGOVERN), the Senator from New Hampshire (Mr. MCINTYRE), the Senator from Montana (Mr. METCALF), the Senator from Minnesota (Mr. MONDALE), the Senator from New Mexico (Mr. MONTOYA), the Senator from Utah (Mr. MOSS), the Senator from Wisconsin (Mr. NELSON), the Senator from Rhode Island (Mr. PASTORE), the Senator from Illinois (Mr. STEVENSON), the Senator from Missouri (Mr. SYMINGTON), and the Senator from California (Mr. TUNNEY) are necessarily absent.

I further announce that, if present and voting, the Senator from Minnesota (Mr. HUMPHREY), and the Senator from Rhode Island (Mr. PASTORE) would each vote "yea."

Mr. HUGH SCOTT. I announce that the Senator from Maryland (Mr. BEALL), the Senator from New York (Mr. BUCKLEY), the Senator from Nebraska (Mr. CURTIS), the Senator from Michigan (Mr. GRIFFIN), the Senator from Nevada (Mr. LAXALT), the Senator from Illinois (Mr. PERCY), and the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

I also announce that the Senator from Arizona (Mr. GOLDWATER), is absent on official business.

The result was announced—yeas 63, nays 5, as follows:

[Rollcall Vote No. 575 Leg.]

YEAS—63

Abourezk	Fong	Nunn
Allen	Ford	Packwood
Baker	Gravel	Pearson
Bartlett	Hansen	Pell
Bellmon	Haskell	Randolph
Bentsen	Hatfield	Schweiker
Biden	Hathaway	Scott, Hugh
Brock	Hollings	Scott, William L.
Brooke	Hruska	Sparkman
Bumpers	Huddleston	Stafford
Burdick	Inouye	Stennis
Byrd, Robert C.	Jackson	Stevens
Cannon	Javits	Stone
Case	Johnston	Taft
Chiles	Leahy	Talmadge
Church	Magnuson	Thurmond
Clark	Mansfield	Tower
Culver	Mathias	Williams
Dole	McClellan	Young
Domenici	McClure	
Durkin	Morgan	
Fannin	Muskie	

NAYS—5

Garn	Proxmire	Roth
Helms	Ribicoff	

NOT VOTING—32

Bayh	Griffin	Metcalf
Beall	Hart, Gary	Mondale
Buckley	Hart, Philip A.	Montoya
Byrd, Harry F., Jr.	Hartke	Moss
	Humphrey	Nelson
Cranston	Kennedy	Pastore
Curtis	Laxalt	Percy
Eagleton	Long	Stevenson
Eastland	McGee	Symington
Glenn	McGovern	Tunney
Goldwater	McIntyre	Weicker

The bill (H.R. 14238), as amended, was passed.

Mr. HOLLINGS. Mr. President, I move to reconsider the vote by which the bill was passed.

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

The motion to lay on the table was agreed to.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that the Secretary of the Senate in the engrossment of the Senate amendments of H.R. 14238 be authorized to make any technical and clerical corrections.

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

Mr. HOLLINGS. I move, Mr. President, that the Senate insist on its amendments and request a conference with the House of Representatives, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to and the Presiding Officer (Mr. MORGAN) appointed Mr. HOLLINGS, Mr. MCCLELLAN, Mr. HUDDLESTON, Mr. PASTORE, Mr. SCHWEIKER, Mr. MATHIAS, Mr. YOUNG and Mr. STEVENS conferees on the part of the Senate.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROBERT C. BYRD. I thank the distinguished Senator from South Carolina for doing a very fine job in connection with an extremely arduous task, as disagreeable as it was.

Has the Chair laid before the Senate the next matter?

SECOND CONCURRENT RESOLUTION ON THE BUDGET, 1977

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of Senate Concurrent Resolution 139, which will be stated.

The assistant legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 139) revising the congressional budget for the United States Government for the fiscal year 1977.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its consideration.

ADDITIONAL STATEMENTS

Mr. MCCLURE. Mr. President, at the time the Senate considered the first concurrent resolution on the budget I indicated that the budget was deficient in several respects. I said that revenues had been overstated and outlays understated. In addition I warned the Senate that certain budgetary questions remained unanswered. An examination of the second concurrent resolution reveals that my initial impressions were correct.

REVENUES

The committee suggests a revenue figure of $362 billion. This figure is only $500 million less than that recommended in the first concurrent resolution. However, that misestimate is in fact closer to $1 billion. You will recall that the committee assumed $2 billion in tax reform and rejected any revenue increase resulting from higher payroll taxes. As it became obvious that tax reform would fail to yield the required $2 billion, the committee accepted a $400 million windfall by endorsing an unemployment tax increase which will further burden the private sector and raise the cost of labor, thus aggravating the current level of joblessness.

OUTLAYS

The second budget resolution for fiscal year 1977 recommends an outlay figure of $500 million less than that contemplated in the first resolution. I would like to be able to report that this reduced level of outlays reflects congressional restraint. Unfortunately it is a tribute to good fortune and a fair amount of budget gimmickry. A few examples should serve to bring this point home.

I am sure that you recall our recent vote which increased the subsidy for the Postal Service by $1 billion. If you were to attempt to find that sum in the budget you would search in vain since $500 million has been placed in the transition quarter rather than in fiscal year 1977 where it in fact belongs. So much for the much applauded reduction in outlays. The outlay figures have been fur-

ther helped by assumptions related to stockpile sales and the elimination of the 1-percent kicker. In combination these two items reduce defense outlays by $600 million. In the likely event that these savings are not realized, outlays have been underestimated.

In other instances, better than expected economic performance has reduced anticipated outlays. Interest on the debt has declined by $800 million since anticipation about the level of interest rates has been revised downward. This revision too may represent wishful thinking as the fiscal year proceeds.

In function 600, income security, program reestimates and improved economic performance reduced anticipated outlays by $2.6 billion. Again these savings are unrelated to any spending restraint shown by the Congress.

Some of you may wonder where these savings have gone since outlays remain virtually unchanged. In some cases these savings have been used up due to our inability to realize assumed levels of savings in other areas. For example, the first resolution assumed savings of $200 million in food stamps. No such savings have been realized. Medicare and medicaid, savings of $600 million have not been achieved. In fact, the outlay level in health has risen almost $2 billion over that assumed in the first budget resolution. With respect to savings it appears to be a case of "easy come, easy go."

This resolution repeats the error of overestimating OCS receipts. During consideration of the first budget resolution I indicated that the estimate of OCS receipts was high and suggested that the estimate was motivated by an attempt to keep outlay levels artificially low. It should come as no surprise that this figure has now been reestimated and reduced by $800 million.

BUDGETARY QUESTIONS

In a number of instances the committee was forced to deal with a number of significant budgetary questions of a technical nature. The manner in which these questions were resolved may soon result in a situation where what is "off budget" has more significance than what is "on budget." One or two illustrations should prove instructive.

Function 300, natural resources, environment, and energy is significant in as much as it has been the focus of recent legislative initiative. In each major area the cost consequences of these initiatives have been either understated or eliminated from the budget. Synthetic fuels production and development costs have been understated while uranium enrichment cost potential has been entirely ignored.

The budget includes $500 million in budget authority to provide for a $4 billion program of synthetic fuel development and production. This amount may well be appropriate to cover potential liabilities for construction. However, it fails to recognize the potential budgetary costs associated with an inevitable long term program of price supports. There is little argument that the technologically successful production of synthetic fuels will produce oil and gas energy at noncompetitive price levels.

Therefore, if one fails to assume the budgetary consequences of future price supports, one must further assume that the plants which are constructed will simply demonstrate their feasibility and then be shut down. This will most certainly not be the case. Production will occur and subsidies will be paid. The resolution fails to address this issue.

In the area of uranium enrichment, the resolution takes the position that loan guarantees in the amount of $8 billion and the contingent liabilities associated with such guarantees do not require inclusion in the budget. The facts however, indicate that, in the most favorable situation, at least $1.4 billion in budget authority should be included in this year's totals. The inclusion of this amount would reflect the potential liability inherent in the proposed uranium enrichment program.

INITIAL SUMMARY

The revenue, outlay, and deficit figures contained in the second budget resolution are close to those recommended in the first resolution. However, I submit that this similarity is only a surface one sustained by a combination of good luck and creative budgetary technique. The numerical similarity between the two resolutions also masks the fact that in almost every case the Congress has failed to achieve the program economies for which it took responsibility in the first concurrent resolution.

THE ECONOMICS OF THE RESOLUTION

I feel compelled to extend my remarks in order to deal with the economic framework of the budget resolution.

THE BUDGET AS AN AGENT OF RECESSION

The Federal budget is not the victim of economic cycles, rather it is, in large measure, the cause of these same fluctuations. In order to put this statement in perspective, some analysis of the economic assumptions of the budget resolution is in order. The economic framework within which this budget has been cast holds out the tantalizing hope of a balanced budget for fiscal year 1980. Unfortunately, the path which must be negotiated to achieve this goal can only be traversed after a number of heroic assumptions are made and unrealistic targets achieved.

If revenues and outlays are to be brought into balance, a fiscal dividend created, and if the Federal sector is to be confined to 20 percent of total GNP by 1980, the majority is required to assume:

First. A moratorium on new permanent Federal programs and a restriction on the rate of growth of current programs to a nominal 7 percent per year. Given forecasted inflation rates, real program growth would have to be close to zero.

Second. Productivity growth rates would have to be reestablished at a high level of 2.5 to 3 percent per year.

Third. Real economic growth would have to achieve steady annual rates of 5.5 to 6 percent for the next 3 years.

Fourth. Inflation rates would have to continue to edge downward over the next 3 years.

Fifth. A redefinition of full employment would have to be made at a 5.5-percent unemployment rate.

At best, any statement which assumes budgetary balance by 1980 and includes explicitly or implicitly the above-stated assumptions is a cruel hoax unless a majority of the Congress is prepared to qualify for the next edition of "Profiles in Courage." Let us consider each of these prerequisite assumptions in turn.

The Congress has never demonstrated, for long periods of time, an ability to deny itself the pleasure of legislative initiative. Nor has the Congress demonstrated the capacity to undertake such initiatives in conjunction with the elimination of ineffective programs which are currently being funded. In point of fact, new programs have been added to older ones and spending has spiraled so that the Federal share of total spending has increased as the Government has grown at a faster rate than the private sector. This on-budget growth has been complemented by significant off-budget growth as legislators have come to understand that one way to balance a budget is to move expenditures off-budget. These loan and credit guarantees and off-budget agencies have grown to a level of $174 billion and now provide a popular budgetary cop out. Despite this and other forms of backdoor spending, the actual visible budget continues to grow. Any assumption such as that made in the majority report that precludes continued growth requires explicit justification. The budget document expresses hope but provides no basis for that hope.

The second explicit assumption made by the resolution is that historically high rates of labor productivity will be reestablished. Given present trends in investment expenditures, the long-term rate of growth in productivity for the United States will probably not exceed 1¼ percent for the next several years. During the period 1960–73, the United States invested, in new plant and equipment, a lower percentage of its GNP than did most other industrialized nations.

In percentage terms, Japan invested some 30 percent of its GNP in new plant and equipment while we committed only 12 to 13 percent of our GNP to such investment. In consequence, the rate of growth in productivity was lower during that period in the United States than in other industrialized countries. The impact of this long period of minimal investment will reduce our ability to compete effectively in international markets.

It should also be recalled that much of this nominal investment was made for environmental controls and therefore will have little direct impact on measured productivity.

In addition, future investment per job may well decline given the large number of new entrants to the labor force and the scarce number of investment dollars available to the private sector.

The third assumption which must be made by the majority relates to real GNP growth over the next 3 years. The resolution is consistent with a balanced budget by 1980 only if real annual GNP growth of 5.5 to 6 percent is realized. Should the economy fail to achieve such growth, revenues will lag and the deficit will rise. Is it likely that these growth rates can be achieved? Such an extended period of rapid growth has no historical precedent.

In fact, the period which provides a somewhat subdued parallel, 1964–69, achieved an average growth rate of 4.4 percent in real GNP. It should also be noted that this inflationary period included massive tax cuts, the Vietnam war, and a monetary policy which, in part, sowed the seeds of our last recession.

The fourth assumption which is consistent with the economic game plan of the resolution demands the adoption of a rather sanguine view of the future course of the rate of inflation. That rate is projected to decline for the next 3 years despite shortages and bottlenecks as the economy expands at a rapid rate and credit markets are pushed to their limits. This apparent paradox presents no problems for the majority who assume that a stubborn rate of inflation will yield to Federal policies of regulatory reform, stockpiling of strategic materials, and food reserves, targeted investment aids to eliminate production bottlenecks, and finally wage and price controls. This latter device is euphemistically referred to in budget proposals here and elsewhere as an incomes policy.

The final assumption which they must make in order to be consistent with the economic framework of the resolution demands that full employment be redefined in terms of an unemployment rate of 5 to 5.5 percent of the civilian labor force. To the extent that redefinition failed to take place, then the difference between the noninflationary unemployment rate and the rate mandated or assumed by the Congress would be achieved in fact through increased public employment programs.

A BALANCED BUDGET, AN ALTERNATIVE APPROACH

A year ago I indicated that the correct policy response to the challenge of noninflationary economic growth could be found in a budget which encouraged capital formation and reduced the costs of new investment in plant and equipment. I said that monetary and fiscal policy must focus on investment rather than consumption. I warned that if this were not the case, the budget would produce an increase in aggregate demand without a comparable increase in aggregate supply thus occasioning shortages and price increases which were incompatible with a sustainable economic recovery.

Since that time I have pursued the challenging task of constructing a scenario which produces both a balanced budget and a sustainable rate of noninflationary economic growth. In this undertaking I have attempted to generate a series of fiscal year budgets which are both politically feasible and economically sound.

These alternative budgets assume no absolute reductions in expenditures but do involve some reductions in the historic rates of growth in outlays. They imply a fiscal and monetary policy which is consistent with high levels of investment and job creation in the private sector.

Specifically, Federal budgets which are consistent with these macroeconomic simulations, reduce the deficit to zero by 1980. The implementation of these budgets reduces unemployment from its current level of 7.8 percent to a nearly full employment level by the fourth quarter of calendar 1976. Full employment in this context is defined to be the sum total of frictional and structural unemployment. Such budgets reduce the rate of inflation from its projected level of 6 to 7 percent, to a more tolerable level by the fourth quarter of calendar year 1979.

In addition, this alternative budget treatment permits and, in fact requires, a substantial tax cut in 1978 in addition to the extension of current tax reductions. Finally, my projected figures provide for a reduction in Federal spending from its current 21.9 percent to 20 percent of GNP by calendar year 1980. A complete review of the simulations and a discussion of the Data Resources, Inc., model which has produced the results noted above is not possible here.

It appears to me that the approach utilized by the committee majority can be likened to the homeowner who, finding himself unable to fit his new car in the garage, concludes that he must build a larger garage. The majority has constructed a budget and projected others which fail to fit within the economy. They, like the homeowner, have concluded that the economy must be larger rather than the budget smaller.

Thus, they have been forced to project an unrealistic and improbably high rate of economic growth in order to create the illusion that balanced budgets and fiscal dividends will be forthcoming if today's and tomorrow's budgets are larger and more stimulative. If such illusions persist, we will find ourselves 3 years from now struggling to meet unrealistic targets and creating a continuing deficit, a larger budget, and reduced level of real economic growth.

In lieu of that approach, I offer an alternative which is consistent with a more realistic projection of economic performance. This alternative demands budgetary restraint but not retrenchment. It further provides an opportunity to return resources to the private sector and to the individual citizen, permitting those who produce our national wealth to determine its ultimate disposition.

ORDER FOR ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until the hour of 9:30 a.m. tomorrow.

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

Mr. ROBERT C. BYRD. Mr. President, has any special order been entered thus far for the recognition of any Senator on tomorrow?

The PRESIDING OFFICER. There has been no special order.

Mr. ROBERT C. BYRD. I thank the distinguished Presiding Officer.

TIME LIMITATION AGREEMENT—SENATE CONCURRENT RESOLUTION 139

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the completion of the recognition of the two leaders under the standing order tomorrow, the Senate resume consideration of the pending matter, and that there be a time limit on the resolution of not to exceed 3½ hours, with a time limit on any amendment of 1 hour, a time limit on any amendment to an amendment, debatable motion or appeal of one-half hour.

The PRESIDING OFFICER. Is there objection?

Mr. JAVITS. Mr. President, reserving the right to object, and I hope not to have to object, it was my understanding that there was going to be an effort to get a vote by a given hour. I see the deputy majority leader has not made that request and I am grateful for it. But I would like to ask Senator BELLMON on my side whether I can have a half hour out of the time on the bill, if that would not inconvenience them, or I will propose an amendment, if necessary, to discuss the unemployment compensation situation. Whether or not I would move to amend, I do not know as yet, but I would like to have that.

Mr. BELLMON. Mr. President, I would be happy to enter into an agreement whereby the distinguished Senator would have a half-hour allotted to him.

Mr. JAVITS. Second, if I should determine to make an amendment to the budget resolution respecting unemployment compensation, that it shall be deemed in order. I do not know what the details of the resolution are, and I do not want to get trapped on germaneness.

Mr. ALLEN. Mr. President, I object to the time limit on the resolution.

Mr. ROBERT C. BYRD. Mr. President, under the law, if there is an objection, a motion can be made and the motion is not debatable. I hope the Senator will not object, because it will then be the intention of the leadership to make such a motion tomorrow.

Mr. ALLEN. On nongermane amendments, I do not know where we would go.

Mr. JAVITS. In the first place, it would be confined only to an amendment relating to unemployment compensation. I believe it is germane, but I am not positive. I have not checked the resolution.

I would ask as a parliamentary inquiry whether the Chair would be in a position to rule that an amendment to the budget resolution relating to unemployment compensation, I believe that is item 600, would be in order.

The PRESIDING OFFICER. The Chair would have to study the amendment before it could respond.

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

Mr. ROBERT C. BYRD. Will the Senator withhold that?

Mr. JAVITS. I withhold that.

Mr. ROBERT C. BYRD. Under the law, no amendment that is not germane to the provisions of such concurrent resolution shall be received.

Mr. JAVITS. That would answer it.

The PRESIDING OFFICER. The question is on the request of the Senator from West Virginia.

Mr. ROBERT C. BYRD. Limiting time.

The PRESIDING OFFICER. The Chair will advise the Senator from New York that if he offers an amendment that will increase the figure the amount under 600, it would be in order.

Mr. JAVITS. I thank the Chair.

The PRESIDING OFFICER. On the unanimous-consent request of the Senator from West Virginia, is there objection? Hearing none, it is so ordered.

ORDER TO PRINT H.R. 8532

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Antitrust Act (H.R. 8532) be printed as amended by the action of the Senate today.

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

ORDER FOR RECOGNITION OF SENATOR BARTLETT ON FRIDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Friday, after the orders for recognition for Senators that may have been previously entered have been consummated, the Senator from Oklahoma (Mr. BARTLETT) be recognized for not to exceed 15 minutes.

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

COMMITTEE MEETINGS

SUBCOMMITTEE ON INTERNAL SECURITY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on Internal Security of the Committee on the Judiciary be authorized to meet on September 9, 16, 22, and 30 to consider intelligence gathering activities (S. 3517) and control of explosives.

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

SUBCOMMITTEE ON CONSTITUTIONAL RIGHTS

Mr. ROBERT C. BYRD. I ask unanimous consent that the Subcommittee on Constitutional Rights of the Committee on the Judiciary be authorized to meet during the week of September 27 concerning the operation of the grand jury system.

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

COMMITTEE ON ARMED SERVICES

Mr. ROBERT C. BYRD. I ask unanimous consent that the Committee on Armed Services be authorized to meet on September 9 to consider nominations and certain legislative items.

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

COMMITTEE ON GOVERNMENT OPERATIONS

Mr. ROBERT C. BYRD. I ask unanimous consent that the Committee on Government Operations be authorized to meet on September 13 concerning the Federal donable surplus property program and authorization for Presidential transitions.

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

COMMITTEE ON COMMERCE

Mr. ROBERT C. BYRD. I ask unanimous consent that the Committee on Commerce be authorized to meet on September 9 to report out legislation dealing with aviation regulation.

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

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene at 9:30 tomorrow morning.

After the two leaders or their designees have been recognized under the standing order, the Senate will resume the consideration of the now pending congressional budget resolution, under a time limitation of not to exceed 3½ hours, with a time limit on any amendment thereto of 1 hour, and a time limit on any amendment to an amendment, debatable motion, or appeal, of one-half hour.

There will be a rollcall vote on the adoption of the resolution, undoubtedly, and there is expected to be at least one amendment offered, and probably more, on which rollcall votes would be anticipated.

Following the disposition of the resolution, the leadership would expect to call up a message from the House of Representatives on Indian education, on which there is a time limitation. Rollcall votes will probably occur on that measure, and upon the disposition of that measure it is anticipated that a motion will be made to proceed to the consideration of the foreign aid appropriation bill.

ADJOURNMENT UNTIL 9:30 A.M.

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until the hour of 9:30 tomorrow morning.

The motion was agreed to; and at 8:24 p.m. the Senate adjourned until tomorrow, Thursday, September 9, 1976, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate September 8, 1976:

DEPARTMENT OF STATE

Ronald D. Palmer, of the District of Columbia, a Foreign Service officer of class 2, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Togo.

IN THE JUDICIARY

Glen M. Williams, of Virginia, to be U.S. district judge for the western district of Virginia, vice Ted Dalton, retiring.

CONFIRMATIONS

Executive nominations confirmed by the Senate September 8, 1976:

FEDERAL COMMUNICATIONS COMMISSION

The following-named persons to the positions indicated:

Margareta E. White, of Virginia, to be a member of the Federal Communications Commission for the unexpired term of 7 years from July 1, 1971.

Joseph R. Fogarty, of Rhode Island, to be a member of the Federal Communications Commission for a term of 7 years from July 1, 1976.

The above nominations were approved subject to the nominees' commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.

EXTENSIONS OF REMARKS

THE HONORARY MAYOR OF SEVENTH STREET: EDDIE THOMAS

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 8, 1976

Mr. ANDERSON of California. Mr. Speaker, for the past 35 years, the community of San Pedro has been brightened by a remarkable independent businessman whose cheerful personality and friendliness have made him a landmark in the community. On September 23, a grateful community will gather together to honor this man, who has been named "Honorary Mayor of Seventh Street" by the merchants in his area.

He is Eddie Thomas, an 81-year-old veteran of World War I, who operates a shoeshine stand and parking lot in the heart of San Pedro's business district near the corner of Seventh Street and Pacific Avenue. Almost everyone in town either knows Eddie Thomas, or knows who he is.

Eddie was born on July 30, 1895, in St. Louis, Mo. He was raised by his grandparents, and as a black American grew up at a time when segregation was a way of life. An active, intelligent individual, he remembers those days well, although he bears no bitterness in his heart and is aware of the progress that has been made toward making "equality for all men" a reality.

During World War I, Eddie Thomas was a member of the infantry. He was honorably discharged from the service as a private after the war, and is a member of the Veterans of World War I, Barracks 431, of San Pedro.

After the war, Mr. Thomas worked as a cook and dining room waiter for the Illinois Central Railroad, and still possesses a letter of high recommendation from the company for his outstanding work record. In 1939, he opened his first shoeshine stand in San Pedro, located on old Beacon Street. At first, he commuted every day from Los Angeles, but he is now a San Pedro resident.

After approximately 20 years on Beacon Street, Eddie Thomas moved his operation to Seventh Street, where he has been for the past 15 years. For almost 16 years, he was accompanied by Buddie, a companionable cocker spaniel that has been dead for years, but is well remembered by Eddie's regular customers and friends.