SENATE—*Tuesday, October 25, 1977*

(Legislative day of Friday, October 21, 1977)

The Senate met at 8:30 a.m., on the expiration of the recess, and was called to order by Hon. DENNIS DECONCINI, a Senator from the State of Arizona.

PRAYER

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

Keep thy heart with all diligence; for out of it are the issues of life.—Proverbs 4: 23.

Dear Lord and Father of mankind, in whom we live and by whom we are judged, help us to keep our hearts and minds in union with Thy spirit. Above the confusion of many voices help us to hear Thy voice saying "This is the way, walk ye in it." Give us grace to seek first Thy kingdom and righteousness, knowing that all else needful will be added. Crown our efforts with completed legislation which fulfills the highest and best for this Nation and contributes to peace and justice in the world.

To Thy holy name we ascribe all the glory and thanksgiving. 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., October 25, 1977.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable DENNIS DECONCINI, a Senator from the State of Arizona, to perform the duties of the Chair.

JAMES O. EASTLAND,
President pro tempore.

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

RECOGNITION OF LEADERSHIP

The ACTING PRESIDENT pro tempore. The Senator from West Virginia is recognized.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings of Thursday and Friday, October 20 and 21, 1977, respectively, be approved.

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

Mr. ROBERT C. BYRD. Mr. President, I have no need for my time.

Mr. BAKER. Mr. President, I, for the moment, suggest the absence of a quorum on my time.

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

The second assistant legislative clerk proceeded to call the roll.

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 President, I ask unanimous consent that the order for the quorum call be rescinded.

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

COMMITTEE MEETINGS

Mr. ROBERT C. BYRD. Mr. President. I ask unanimous consent that the Committee on the Judiciary be permitted to meet until the hour of 2 p.m. during the session of the Senate today to consider revision of the Criminal Code and other committee business.

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

Mr. ROBERT C. BYRD. Mr. President, I ask unanmious consent that the Committee on Commerce, Science, and Transportation be authorized to meet until 12 o'clock noon today.

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

RETURN OF SENATOR HUMPHREY

Mr. ROBERT C. BYRD. Mr. President, the distinguished Deputy pro tempore of the Senate, Mr. HUMPHREY, will be on the floor today at 2 p.m., and I would hope that all Senators would so arrange their schedules as to be present upon his return.

The ACTING PRESIDENT pro tempore. I thank the Senator from West Virginia.

Mr. BAKER. Mr. President, I have no requirement for my time under the standing order, and I yield it back.

SPECIAL ORDER

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

The Senator from Illinois.

TRIBUTE TO SENATOR HUMPHREY

Mr. PERCY. Mr. President, I think it very important that Senator HUMPHREY is back with his colleagues today. Senator HUMPHREY has undergone a physical trial with which we are all familiar. He has demonstrated tremendous courage, tenacity, and devotion second to no one that I know of.

THE ENERGY CRISIS: A FAILURE TO ACT

Mr. PERCY. Mr. President, Senator HUMPHREY and I founded some many months ago the Alliance to Save Energy.

Yesterday, I was in Tucson, Ariz., at a National Conference on Energy sponsored by the University of Arizona, and cosponsored by the Alliance to Save Energy.

Constantly at that conference the attendees questioned me as to what the U.S. Senate is doing about the energy crisis. I ask unanimous consent that my Tucson conference speech be printed in the RECORD at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. PERCY. One aspect of the energy crisis, the desire to save energy and conserve energy, was one of those subjects to which many of my colleagues, together with Senator HUMPHREY, had devoted themselves for many months.

I think we have all been disturbed at the inability of the country to move toward a policy that will create energy through conservation, a part of the policy that the President declared was a centerpiece of his own energy program.

I am deeply disturbed that the Senate is acting as if the energy crisis is not real.

Our track record to date is dismal. A number of urgently necessary but politically unpopular measures have been defeated, including a wellhead tax on oil, a gasoline tax, an oil and gas users' tax, and electric rate reform. The Senate instead has adopted only the easy, the popular and the most palatable: tax credits, loan programs, and studies that will postpone needed reforms. But even these measures are in jeopardy unless agreements with the House can be reached.

It would be unconscionable for Congress to adjourn this fall and go home without developing a long overdue national energy policy. This year we will import almost 9 million barrels of oil a day, at a cost of $45 billion. This is double the volume and almost 10 times the cost of oil imports in 1972, the last year before the embargo. What will we say to our constituents when they ask what we have done to cut imports? How will we explain to them that the Congress was incapable of tackling the problem? We need at least a significant start in this session, a bill on which we can build next year and in subsequent years.

I fear that we in the Congress have so far failed to attend to the longrun basic interests of the American people. For several years we have told each other in the cloakrooms that we need an energy plan. Now the House has presented us with one, but we have decimated it. Undoubtedly this is due in some measure to sharp but honest differences of opinion over what the policy should be, but it is also due to the public's apathy and to the credibility gap associated with the energy crisis. However, the Congress must take a large part of the blame for

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not alerting the public and educating them to the real facts.

It causes some to wonder whether this institution is by nature capable of making hard choices today in order to prevent dire shortages and economic hardship 10 years from now, or whether we can only see as far as the next election. We may create a true political and economic crisis by our handling of the energy crisis.

At this critical juncture, with the energy tax bill before us, I believe it appropriate to remind ourselves of a few simple truths about energy.

World oil and gas reserves are finite. U.S. production has already peaked. World production will peak within 15 years. If the rest of the world burned oil at the American rate, we would consume within that 15-year span all the oil which geologists have ever speculated might exist. We can quibble about the timing of the ultimate depletion of reserves, not about its certainty.

Growth in energy demand can continue at its present rate only for a few years, without facing an involuntary brake. The necessary adjustment can come either voluntarily through deliberate policy initiatives, or involuntarily with an attendent depression and a loss of national independence. Recall last winter: industries were forced to close, their employees laid off, and families driven from their homes by a fuel shortage. We can easily create such a situation again.

For too many of my colleagues, energy policy means only energy supply policy. There is a widespread feeling that total decontrol of energy prices and subsidies for synthetic fuels and new nuclear technologies would end our crisis. It is felt that only this strategy will avoid great lifestyle changes. I wish to respectfully point out what I believe to be the fallacy of this thinking.

First, to consume our domestic oil and gas supplies even faster than we are now is a policy of "strength through exhaustion" or "drain America first." We would need to discover a new Alaskan North Slope every several years just to stay even with rising demand, and declining production from existing fields. Growth in consumption of these supplies is just a sophisticated way of stealing from our children.

I fully support free market pricing of new fossil fuel supplies: higher prices will encourage new production. But I am under no illusion that new oil and gas supplies can be more than a stopgap measure while we shift to use of renewable resources.

The other new centralized technologies likewise hold little promise as more than supplemental solutions. Severe technological, social, financial, and environmental problems plague the breeder reactor, synthetic natural gas, shale oil, and other similar technologies. They may very well never work economically, or may never produce enough energy to reduce our oil imports. They would absorb massive amounts of capital, depriving other economic sectors of needed investment dollars. They produce very few jobs per dollar invested in comparison with any other industrial investment. The spread of a plutonium economy, which is an intrinsic part of the breeder reactor, has profound implications for civil liberties, since we might need to increase domestic security and surveillance to guard against terrorists. Finally, the construction of these technologies would entail more large-scale centralized powerplants and systems. We ought at least to examine in a national debate the social implications of such a development.

Most of these technologies are uneconomical. Some will cause serious changes in lifestyle and standards of living. To promote them would involve large and perhaps permanent Government subsidies. The free market will not support them. I suggest we not disregard its signals.

We need instead to recognize a most fundamental principle: energy is a means, and not an end in itself. We should define the energy problem more accurately as the challenge of meeting our social and economic goals with the minimum amount of energy necessary. We must dispel the myth that increased use of energy means a better life, and that less energy means a lower standard of living. Instead, we should first pursue and give high priority to the one policy that makes the most economic sense: converting energy waste into energy supply via conservation.

Those who support a "strength through exhaustion" policy tend to describe conservation as curtailment: wearing sweaters in 60 degree buildings, waiting in line for gasoline, and limiting economic growth. They seem unable to understand that we can mine energy in buildings, cars, and industrial processes with insulation, more efficient engines, and better control systems. Conservation is energy supply. It is invariably our least expensive new supply option.

Living in a well-insulated apartment building, with a well-tuned and adequately-sized furnace in the basement and solar collectors on the roof will change no one's lifestyle in comparison with living in a drafty, poorly insulated building. But if we all live and work in the latter, our lifestyles will change after we burn up what low-cost supplies remain, and have to do without.

We need to listen to what the free market is trying to tell us. Even approaching zero energy growth is compatible with uninterrupted economic growth. The point is to increase our output of goods and services per unit of energy used. The key question is: Where is the statesmanship that will implement the policy measures we need to pursue this uniquely rational energy policy? Where is the leadership to convince the American people how necessary such a policy is?

In developing an energy policy, we need to get back to fundamental principles. The most basic tenet is that energy must be priced at its replacement—or marginal—cost, so that we value it at its true worth and allocate resources accordingly. Our second policy goal should be to take necessary nonprice actions that enable the market to work better. Finally, we must recognize the limits of the market, and be ready to correct it.

We cannot continue to foster energy waste by paying only the average cost, nor by subsidizing conventional energy supplies. To do so is to use more than we can afford, and to invite disaster as the marginal cost rises higher and higher.

Our economic structure is sufficiently robust to accommodate energy prices which reflect the full value of energy. What it cannot tolerate is a sharp and sudden reduction in energy supply. We will face such a reduction unless we correct energy prices.

In line with marginal cost pricing we need to take several steps:

We must decontrol the prices of new supplies of oil and natural gas, and let them find their own levels in a competitive market. Many claim that free market pricing of energy means artificial OPEC cartel pricing since all prices would tend to rise to OPEC prices. But they do not face up to the fact that other new supplies such as synthetic fuels cost much more than OPEC's $14 per barrel of oil. Ironically, we could almost guarantee that $14 a barrel oil will look like a bargain within a few years. OPEC has merely propelled us into the future sooner than we expected. I fully supported the Senate's decision to decontrol new gas supplies for this and other reasons. I hope Senate conferees will press their House counterparts on this point.

We also need to phase in taxes on supplies of old oil and gas in order to raise their prices to their replacement cost. I was sorely disappointed that the Finance Committee systematically disemboweled the President's energy package by eliminating all new energy taxes. I urge my colleagues to support a wellhead tax on oil—at least until oil is decontrolled—and the oil and gas users' tax on the Senate floor and in conference. While it is, of course, vital that energy producers receive a fair return on their investment, it is inappropriate that producers reap windfall profits. Higher prices for gas already under contract will not produce one more cubic inch of it. The difference between the full cost of production, including a fair profit, and the replacement cost should go to the public domain for energy research and development, for rebates to the public, for encouragement of conservation, and to make more feasible and thus speed up the development of alternative energy sources.

We need to reform rates for gas and electricity to eliminate volume discounts. The days have long vanished when the utility industries and the country can reward large users for wasting these precious resources in impressive amounts. Although I disagreed with the heavy-handed approach to rate reform the House took, I feel the electric rate bill the Senate passed is hardly worth having. I hope conferees will agree to at least allow Federal appeal of State utility com-

mission decisions, and to permit Federal guidelines on marginal pricing as DOE has urged.

We also need to eliminate subsidies to conventional energy technologies so that consumers, not taxpayers, pay for existing energy supply. This includes doing away with tax and accounting loopholes for fossil fuel producers and electric companies. It includes incorporating all environmental costs into the price of energy. For example, the cost of radioactive waste disposal should be part of the price of electricity from atomic plants. Fossil fuel burning plants should not be allowed to impose costs in the form of death and respiratory disease from air pollution on to those who live downwind. Individual subsidies must also go. Federal Government employees should not be given free parking at the taxpayers' expense, thus making the use of public transportation uneconomical. Consumers should not deduct State and local gas taxes on their income tax returns, a further subsidy to the automobile that costs the Treasury over $700 million per year. I hope the Senate will restore the repeal of this deduction to the tax bill.

Realistic prices are one way to make the market work. But we must also see to it that consumers can make decisions on an equal basis with producers. To that end, we must also take nonprice actions to help the market work properly at promoting renewable resources and conservation.

Interest rates and access to financing are prime determinants of the economic viability of any investment. Small businesses and consumers cannot compete with large companies for financing. Therefore, adequate loan and loan guarantee programs for renewable resources and conservation for homeowners, renters, and small businesses are necessary. These can include Government loans, mandatory programs through utility companies, and, of course, programs which work through existing financial institutions.

Both Houses of Congress included tax credits for solar and conservation investments by businesses and individuals. The Senate also added a solar loan program. We should have quick agreement on these provisions.

Consumers also need adequate and accurate information about insulation contractors, solar heating systems, cars, and appliances. It is fully proper for the Government to help provide information by requiring its disclosure and by working with all sectors of the economy to provide information, analysis, and technical assistance concerning energy saving. An example is the disclosure of auto mileage efficiency on car stickers. I am pleased that both Houses of Congress enacted new appliance disclosure provisions.

We must understand that the free market, with all of its advantages, has certain limits. It can deal only with efficiency, not with equity, and thus takes no account of income distribution. It will fail to develop and commercialize rational new technologies which take longer to commercialize than the 3 to 7 years for which businesses usually plan. The market puts no price on national security to be obtained from independence from foreign supplies. It makes no distinction between depletable and nondepletable resources, and does not take into account the needs of future generations. Because of economies of scale in production it has difficulty producing products appropriate for localized and small-scale uses. Lastly, in many cases energy is either too small a proportion of total cost for rational businesses or consumers to bother to save it, or else those who pay for energy are not the same persons as those who decide how much is used.

We must be willing to approximately intervene in these cases. It is necessary to ameliorate the effects of high energy prices on low income groups and other special hardship cases with rebates, weatherization programs, and similar special assistance. Such provisions are in the bills from both Chambers. The Government must act as a catalyst to help the invisible hand of the market to research, develop, and commercialize renewable energy resources, such as the power of the wind and the Sun.

Washington can encourage use of alcohol fuels by exempting them from Federal gas taxes. We should take a firm position encouraging conversion from oil and gas to coal, our only abundant fossil fuel. Here again the Senate backed down from the position which the House rightly took.

We must seriously consider whether an additional tax should be imposed on gas-guzzling cars and gasoline. We should encourage mass transit by abolishing the highway trust fund and replacing it with a transportation trust fund. Both the House and Senate have backed away from a gas tax. The Senate Finance Committee also rejected a gas-guzzler tax although the Senate did approve minimum fuel standards. No one has yet put forth a truly effective mass transit package. All of these measures are necessary to curb gasoline waste.

Government must work to overcome the obstacles to energy savings and use presented by outdated building codes, the innovation-resistant construction market, and the relationship between owners and renters. Washington must get its own house in order with life-cycle costing of new and old Government buildings, and vanpooling for its employees.

In another century and in another forum, Edmund Burke said:

> The public interest requires doing today those things that men of intelligence and good will would wish five or ten years hence had been done.

We must act in the public interest here today, or else our constituents will face the stern education of hardship in 5 or 10 years. The approach of statesmen must be to educate the public today about the seriousness of the crisis and about how more efficient use of energy can help to solve it. Such teaching and learning are the keys to preventing a dark and cold tomorrow.

I would like to mention just one thing. At this very moment Prince Saud, the Foreign Minister of Saudi Arabia, is in the Foreign Relations Committee having breakfast with a few of my colleagues. I will join them momentarily.

I read an interesting interview with the Prince which was published in the Washington Star last night. His Royal Highness was asked the question about oil price increases expected from the forthcoming Caracas conference of OPEC nations. Prince Saud, in a free enterprise economy, mentioned quite aptly it depends to a degree on supply and demand. How heavy is the demand? If the demand is going to be extraordinarily heavy and the supply is still somewhat limited, the price is going to increase.

That is an expresssion we should all understand. Certainly my distinguished colleague from Ohio, Senator METZENBAUM, a former businessman himself, would agree, that the law of supply and demand has not been repealed by the United States. And yet the demand continues to grow insatiably, 8.8 million barrels of oil per day are now being imported into the United States.

On behalf of the President of the United States, the Secretary of Energy Dr. Schlesinger in an international energy conference recently committed us to reducing imports to 6 million barrels per day.

How are we going to get there unless we get to work on it? The Senate has a responsibility today to begin that job. Otherwise, OPEC countries will have no alternative other than to work within the law of supply and demand and continue to raise prices, even though, in a statesmanlike manner, Prince Saud, on behalf of Saudi Arabia, indicated that he was well aware of the harsh economic impact such a price rise may have. Saudi Arabia is taking fully into account what effect this would have on the international economy, the economies of developing countries as well as the developed world.

I simply turn to my colleagues and ask for some commonsense to be built into this bill. We simply cannot go on as we are today, importing virtually 50 percent of our petroleum requirements, becoming more and more dependent upon outside sources, less independent and less able to stand on our own two feet.

Until such time as we develop a truly realistic national energy policy, we simply are not going to be able to say we have faced up to the situation and done something about it.

Mr. President, I ask unanimous consent that the text of the Washington Star interview with Prince Saud be inserted in the RECORD at the conclusion of my remarks.

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

QUESTIONS AND ANSWERS—PRINCE SAUD: OIL PRICE RISE A POSSIBILITY

(Prince Saud al-Faisal, the foreign minister of Saudi Arabia, was interviewed by Washington Star Staff Writers Roberta Hornig and Henry S. Bradsher.)

Question: There is going to be another meeting of the oil producing countries in Venezuela in December. Do you think there will be a price increase?

Saud: Well, of course, there are many issues that will be discussed as always happens in these meetings. One of these issues will be oil pricing. Whatever decision is taken on that, there will be a very thorough and complete analysis of the supply and demand picture as well as of the economies of the OPEC countries.

Question: But do you think there will be an increase?

Answer: I think there may be an increase in oil prices but I think that that increase will be tempered by the criteria I mention. I think they will indicate that a small price increase will be justified. I am encouraged by the announcements by most of the oil producing countries that the criteria would be the impact on the international economy. This is a view, of course that Saudi Arabia shares.

Question: As a practical matter though, the world economy right now is very shaky—to a large extent because of oil prices and balance of payments problem. In that case why is an oil price increase justified?

Answer: The price of anything proceeds with the supply and demand factors. As I said before, there are criteria which indicate that there should be an oil price increase. But again I think the other criteria which is just as important is the health of the international economy. These are the factors which will be weighed in the next meeting in Caracas. And I think the proper weight will be given to all factors.

Question: The question keeps recurring of whether Saudia Arabia might cut its oil production to obtain political leverage for a settlement in the Middle East. Is this a possibility?

Answer: We don't consider oil resources as a weapon to begin with. I think that we will do everything we can to achieve peace in the Middle East, to achieve a settlement. We think this is to our national interest. We will do everything we can to achieve this. But if your question was that if a state does *this* will Saudi Arabia reduce the oil supply or if another country does *this* will *they* raise the oil price, this is not how we deal with the oil increase.

Question: But there was an Arab oil embargo in 1973. Do you foresee a production cutback if at some point you believe a peace settlement is just not moving swiftly enough?

Answer: Well, as you know the oil embargo was established in 1973 in a war condition in which the United States gave not only moral support to Israel but also sent that bridge in the sky with weapons and tanks and very physical support during the battle. That was the cause of the oil embargo at the time. Under conditions of similar threats under war conditions—if we are attacked and if other countries aid our enemy in attacking us—I think we would use every resource to repel that.

Question: Could you see using oil in any condition other than war conditions?

Answer: We see oil as a resource more than as a weapon. It is a resource that's used for our development. It's a resource that's used to benefit our people. And it's a resource that we would like to cooperate with the rest of the world in order to bring benefits rather than to bring harm. I think definitely the Middle East is important to the international economy. There are the largest oil supplies, there are crossroads strategically for communications among the countries. It is an area that can have an impact on the international peace and security as well as the economy of the world. Under these circumstances, working towards peace and achieving peace will bring health to the international community. Allowing a trend to go towards war, I think, would bring tremendous harm. Not only for what individual countries will do to save themselves but as a general impact on the international economy. If war happens in the Middle East is the issue then whether Saudi Arabia is going to embargo or not embargo? I think the issue is whether that will create a third world war, not just will the oil be embargoed. And this is why it is so important and so critical at this period of time to weigh these eventualities and give them their proper weight and to work towards peace in a serious fashion. Not as a manuever but to work really for peace.

Question: Does the Saudi Arabian government feel that there has been any real or sufficient progress this year toward a settlement in the Middle East?

Answer: There are many areas in which we are encouraged. I think one of the encouraging factors is the new seriousness that the move towards peace is having after the joint United States-Soviet declaration that gave proper weight to the Palestinian problem as a central problem in the Middle East. That is very encouraging that the co-chairmen are seriously working towards convening the Geneva Conference for substantive matters which is the Palestinian issue. And then there is the announcement where they said how dangerous it would be not to. That also is an outlook that gives us hope for movement. I think the other area where there is hope for a settlement is the attitude of the Arab countries which I think have done everything they can to indicate their desire, their willingness to sit down and negotiate the settlement. The area that is tinted with pessimism is the Israeli government.

Question: Do you see any changes in the part of the Israel government since Mr. Begin was elected?

Answer: Yes, I see many changes. Everyday we hear of change but unfortunately it is a change away from peace rather than towards peace.

Question. Does that mean prospects for peace have actually been set back since last May?

Answer. I think if you go along with the continuous announcements by the Israeli government about who should be in Geneva, about what should be discussed in Geneva—I think there is a going back—and they don't reflect an attitude that they want to move forward.

Question. The Carter administration started off by talking about a Geneva Conference during 1977 but there are still many difficult issues, particularly the Palestinian representation to be solved. Do you feel that there is going to be something achieved this year?

Answer. The problem of representation, I think, is a problem only insofar as Israel is trying to put a veto on who should negotiate for a peace settlement. That is a dangerous eventuality. If you're going to negotiate with somebody and you hold that you must determine whom to negotiate with, this is dangerous and I don't think it should be acceptable to anyone.

Question. The U.S. government accepts the position that Israel has the right to veto any new additions to the 1973 makeup of the Geneva Conference. Are you saying then that this U.S. government position is wrong as well as Israel's own position?

Answer. I haven't heard that the United States government has a joint position with Israel on who should attend Geneva. I thought President Carter announced that he did not object to having the PLO represented in Geneva.

Question. But they also keep saying here that Israel or any other original member of the Geneva Conference has the right to veto any new additions to the membership.

Answer. To have the right to say who should attend Geneva—I don't think this is very reasonable.

Question. If the movement toward Middle East peace is seen now to be bogged down, what sort of effect would this have on the meeting of Arab leaders in Tunis in early November?

Answer. Well, a meeting for settling the Middle East problem peacefully is something to look forward to—it is a hope. We know that the problems are difficult, but they are also problems that have to be settled peacefully. If no movement is done on that, I think the impact will be very bad.

Question. Is that judgment going to be made very soon or are we coming to an end of a round of talks and many Arab leaders might now be ready to make a judgment on the success or failure of the Carter administration's recent efforts?

Answer. The timetable here is not something the Arabs have made. I think the effort was to convene the Geneva Conference in December. The mechanical problems in the meeting are really not the issues—the substantive issues. If there is no desire on Israel's part to move forward on that, then whatever meeting we have, whether we have it in December or in January, it will be a futile meeting. That's the important thing—to get the Israelis to agree to move.

Question: And what options would the Arab countries have then as a way of reacting to or trying to achieve a new momentum in the talks if they decide there's no movement possible on Israel's part?

Answer: They have their occupied land, they have their people who have been dispersed, they will continue to fight for it.

Question: Does this mean a new upsurge of guerrilla warfare in the West Bank, for instance?

Answer: The spectrum for possibilities after that, I think, are too wide to discuss in a proper fashion but I think the significant element is that you are moving away from peace and you're moving toward confrontation and war.

EXHIBIT 1

ADDRESS BY SENATOR CHARLES H. PERCY

Rocko Fazzolare, Craig Smith, Chauncey Starr, Marsha Untracht, conferees, ladies and gentlemen:

We are here today in the interest of energy conservation to pool our thoughts, to test our premises and to sort out our differences. After we have made this beginning, we must all face the challenging task of establishing global unity to make conservation a worldwide goal.

In recent years, our illusions about energy abundance have been shattered. Confrontation with hardship is at hand. Only through the emergence of a new unity can we even begin to solve the energy crisis, a crisis from which no nation is safe.

That is why this International Energy Conference, and other conferences of its kind, co-sponsored by the Alliance to Save Energy, is so vital to our understanding of the energy problem.

Foremost in your minds today should be energy conservation simply because it is the most economical and effective energy source. The Alliance to Save Energy was created to launch an awareness in the United States

of the need to use energy more efficiently in our daily lives.

Our major concern today is our growing dependence on imported oil. This dependence is truly alarming. It threatens the national security and the economy of each of our nations.

Before World War II, European countries were not dependent on other nations for energy primarily because of extensive use of coal. The United States was even exporting some of its domestic oil. Those days are gone forever, nothing more than foot marks in history.

Western Europe now imports 96 percent of its energy; the United States imports nearly 50 percent.

While the United States' vulnerability continues to be less than that of our allies, we are vulnerable nevertheless. The energy sources we use most are finite. World production from known oil and gas reserves is expected to peak in the next 15 years. In fact, if the rest of the world burned oil at the American rate, we would consume within that 15 year span all the oil which geologists have ever speculated might exist.

As the supply runs out, the cost will continue to rise. This fact alone is a great burden on every nation's economy. Presently, the United States is running a net trade deficit of $25-30 billion dollars a year. The European community, excluding Germany and Great Britain, is running a large balance of payments deficit. Italy and France are in a particularly precarious position because their financial reserves are low and their capacity to borrow from international lending institutions has been diminished.

Many countries dependent on imported oil are turning to the United States for help. They seem to think that it is necessary for the United States to maintain a permanent balance of payments deficit so they can have access to the money they need to meet their mounting oil bills. However, the United States cannot continue to run deficits because the value of the dollar will eventually be undermined, leading to a situation similar to that which occurred in the late 60's and early 70's when the international monetary system faltered.

The long-range economic and social implications of the energy crisis are a serious threat to the unity of the Western Alliance. The greatest possible friction in the coming years will not be between oil suppliers and consumers, but between competing customers.

We will be vying for the same oil. And we could face a more critical situation than we confronted during the Arab oil embargo in 1973 when every country tended to look out for itself. There was inadequate cooperation. We survived that crisis, but we will not survive the next embargo if the Western Alliance does not become a stalwart force to confront the oil producing countries.

That is why it is imperative that we reach a multinational energy agreement. The International Energy Agency (IEA), which was started in 1974 with 19 member nations concerned with dependence on imported oil, is striving to reach an agreement. In its attempt to solidify the West, the IEA has made significant strides. At the meeting in Paris last month, the member countries agreed to limit imported oil to a maximum of 26 million barrels per day by 1985.

Dr. James Schlesinger, the new Secretary of Energy, agreed to this figure and in his remarks at the recent IEA meeting in Paris he pointed out that President Carter's energy plan set U.S. oil imports in 1985 at 6 million barrels a day. The United States must reach that goal if we hope to encourage other IEA members to curb imports.

Reaching this goal will require strenuous adjustments. In the first seven months of 1977, the United States imported an average of 8.8 million barrels of oil a day. The projected average for 1985, with no awareness of the need to conserve, was 16 million barrels a day.

As Dr. Schlesinger said in his speech, everyone already knows what policies are necessary. The crucial point is to establish a common determination to see that these policies are implemented. He added: "On the solution of this problem rests the future of our free societies."

The crisis is that serious and the United States holds the key. Even though we import a lower percentage of oil than most European countries, we waste almost twice as much. The United Staates must convince Western Europe and Japan that we are willing to take the giant steps needed to curb our squanderous energy consumption.

Americans are highly efficient in many ways, such as advanced technology in computers and science. But we are highly inefficient in energy use. We are the energy gluttons of the world. If we want other IEA nations to take us seriously about decreasing our dependence on imported oil, we must take the lead in conserving energy.

To meet the international goals of reduced consumption, the United States must develop a comprehensive energy policy that will tailor our energy use to our energy need.

The Congress must put aside special interests and pass an energy plan that will drastically cut the precipitous rise in U.S. energy consumption.

Comprehensive energy legislation is now under consideration in the House-Senate conference. The Senate is completing the final component, the Energy Tax bill. So, we have come to the crossroads in developing a national energy policy. It is up to the Senate to decide if we continue down the path that ignores the energy crisis or choose to travel the road that tackles the energy crisis head on.

I hope the Senate will take the more challenging road. But our track record to date is poor. A number of necessary but politically unpopular actions have been defeated, including the wellhead tax on oil, a gasoline tax, the oil and gas users' tax and electric rate reform. Instead, the Senate has passed measures that are politically popular and easy to accept: tax credits, loan programs and studies that will postpone needed reforms.

Many people who believe we must continue to meet our increasing energy demand describe conservation as curtailment: wearing sweaters in 60 degree buildings, waiting in line for gasoline and impeding economic growth. But conservation can produce energy. We can mine new energy in buildings, cars and industrial processes with insulation, more efficient engines and better control systems in plants and factories.

In developing a national energy policy, we need to get back to fundamentals by encouraging and rewarding energy conservation, not energy use.

The Senate still has an opportunity to vote on some very important measures that will encourage every American to conserve. We must reform rates for electricity to eliminate volume discounts—the process that rewards the use of more energy. The days are past when the utility industries should reward large users for actually wasting energy.

We must allow the free market to work so consumers of energy have a realistic concept of the value of dwindling energy supplies. We cannot continue to foster energy waste by charging artificially low prices for nearly every form of energy we use.

The Senate must take strong actions to save energy by taxing gas guzzling cars, repealing the federal income tax deduction for state and local gasoline taxes and providing needed funds for mass transit.

We need an energy policy that reflects our needs now as well as the needs of future generations. The Senate is capable of taking the tough road—and I hope it does—so that our alarming dependence on foreign oil is curtailed and we can avoid economic disruption and reduce the ever present threat to our national security.

Many IEA member nations have developed their own energy policies. It only took them one warning, the Arab oil embargo, to know that their livelihoods were in jeopardy because of dependence on imported oil.

Sweden, for example, has a standard of living comparable to ours, yet the Swedish people consume only 60 per cent as much energy per capita. Because they have had to deal with the severe cold and have no domestic oil, their experience has convinced them not to spend vast amounts of capital on expensive and uncertain new energy sources. Instead, they spend their money—one-third of their research budget—towards developing progressively new and more efficient ways of utilizing current supplies.

On the other hand, the United States has spent half of its energy research money for the development of nuclear power.

There are alternate energy sources, but we have a long way to go in developing these new sources, especially because of the need to make them environmentally safe. It will be years before we make everyday use of oil shale, nuclear fusion and tidal power.

Even if these new sources can be developed, they will absorb massive amounts of capital investment and produce very few jobs per dollar in comparison with other industries. I do not believe the United States is willing to starve other key sectors of the economy to develop and produce new energy technologies.

For example, in the decade ending in 1974, demand for new energy in the United States led to an investment cost of more than $300 billion. For the decade ending in 1985, the Federal Energy Administration estimates that demand will rise less rapidly, mainly because of higher energy prices. But it is still the conventional wisdom that demand in this period will increase—and by as much as two or three per cent in a year.

This would mean a very large increase in energy consumption from the present level. The investment cost of meeting this demand with new electric power plants and other facilities has been estimated in the range of $550 billion to $1 trillion. That is about half to two thirds of all the investment capital we are likely to have available in the next decade.

The most logical alternative—economically and socially—for every IEA nation is energy conservation. We must recognize that energy is a means, not an end. Our goal must be to meet economic needs with the minimum amount of energy.

It is imperative that we cooperate because we are all vulnerable. That is why we are together today—to underscore the importance of using our energy sources more efficiently.

So let us make cooperation the cornerstone of this conference. Extend to each other your knowledge and your experience. And most of all, share your concern for international security, prosperity and growth.

The ACTING PRESIDENT pro tempore. The Senator from Tennessee.

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

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

The assistant legislative clerk proceeded to call the roll.

Mr. METZENBAUM. 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.

PRIVILEGE OF THE FLOOR—H.R. 5263

Mr. METZENBAUM. Mr. President, I ask unanimous consent that during the course of proceedings in connection with the energy tax bill, H.R. 5263, Rick Sloan and Roger Berliner of my staff be granted the privileges of the floor.

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

Mr. BELLMON. Mr. President, I ask unanimous consent that Rick Tourtellotte, of my staff, be granted the privileges of the floor during the consideration of the energy bill, H.R. 5263.

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

PRIVILEGE OF THE FLOOR—H.R. 9090

Mr. PACKWOOD. Mr. President, I ask unanimous consent that Greg Dow, of my staff, be granted the privileges of the floor during the consideration of H.R. 9090 and any votes thereon.

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

FEEDGRAIN SUPPORTS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now proceed to the consideration of H.R. 9090, which will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 9090) to exempt disaster payments made in connection with the 1977 crops of wheat, feedgrains, upland cotton, and rice from the payment limitations contained in the Agricultural Act of 1970 and the Agricultural Act of 1949.

The ACTING PRESIDENT pro tempore. Time for debate on this bill is limited to 1 hour, to be equally divided and controlled by the Senator from Georgia (Mr. TALMADGE) and the Senator from Kansas (Mr. DOLE), with 20 minutes on any amendment, debatable motion, appeal, or point of order.

The Senator from Georgia is recognized.

Mr. TALMADGE. Mr. President, I yield myself such time as I may take.

Mr. President, I ask unanimous consent that the following staff members of the Committee on Agriculture, Nutrition, and Forestry be granted the privilege of the floor during consideration of H.R. 9090, including all rollcall votes thereon: Mike McLeod, Carl Rose, Dale Stansburg, Karen Schubeck, and Dale Sherwin.

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

Mr. TALMADGE. Mr. President, this bill (H.R. 9090) would exempt disaster payments made in connection with 1977 crops of wheat, feed grains, upland cotton, and rice from the payment limitation contained in the Agricultural Act of 1970 and the Agricultural Act of 1949.

This bill is supported by the Secretary of Agriculture. It passed the House by a vote of 265 to 127. It is supported by the affected farm and commodity organizations.

For the 1977 crop, the limitation which applied to the total payments which any person can receive under one or more of the programs for wheat, feed grains, and upland cotton is $20,000 and the total payments which any person can receive under the rice program is $55,000. At the present time, the limitation includes both disaster payments and deficiency payments.

These limitations have been in effect since enactment of the Agriculture and Consumer Protection Act of 1973, except in the case of rice, for which the payment limitation became effective with the target price program for the 1976 crop.

Because of the escalating production costs and the increased size of the typical family farm, the level of the payment limitation was raised by the Food and Agriculture Act of 1977 for the 1978 crop to $40,000 for wheat, feed grains, and upland cotton payments and to higher amounts for subsequent years. In 1980 and 1981, the payment limitation is increased to $50,000—including rice.

Moreover, this limitation does not include disaster payments. The payment limitation for the 1977 crop was left unchanged from that in effect since 1974, despite the increased costs that have occurred since its enactment in 1973. Disaster payments were not excluded from the payment limitation for the 1977 crop, as was done in the new act for the 1978 and later crops.

Therefore, the bill is consistent with action already taken by the Congress in approving S. 275, the Food and Agriculture Act of 1977.

In excluding disaster payments from the payment limitation for 1978 and beyond, the 95th Congress recognized that disaster loss was no respecter of the size of farms and that it was unfair to limit the amount of disaster payments that a particular producer could receive.

Financial losses suffered by farmers because of disasters are financially devastating and could result in the loss of the farm.

In spite of the fact that we have record crops of some commodities, many areas have suffered severe drought losses. About two-thirds of the counties in this Nation have been declared as disaster areas, and many farmers in these areas have suffered tremendously.

The pending bill is merely an effort to bring the disaster payment program for the current crop year in line with the program authorized by the Food and Agriculture Act of 1977.

Mr. President, I hope the Senate will approve the measure now before it.

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

Mr. DOLE. Mr. President, I ask unanimous consent that my statement be made a part of the RECORD. I think the distinguished chairman (Mr. TALMADGE) has explained the bill in detail. I would add that on September 13, 1977, I introduced a companion bill in the Senate, S. 2087. On September 15, Senator PACKWOOD, for himself and 12 other Senators, also introduced a similar bill in the Senate, S. 2013. I guess Senator PACKWOOD will be discussing that.

Mr. President, this bill (H.R. 9090) would exempt disaster payments made in connection with the 1977 crops of wheat, feed grain, upland cotton and rice from the payment limitation contained in the Agricultural Act of 1970, as amended, and the Agricultural Act of 1949, as amended.

On September 13, 1977, I introduced a companion bill in the Senate (S. 2087) that would accomplish the same purpose as H.R. 9090. On September 15 Senator PACKWOOD, for himself and 12 other Senators, also introduced a similar bill in the Senate (S. 2103).

1977 CROP

The total payment limitation for 1977 is $20,000 for all crops except rice. This payment limitation includes payments to farmers for deficiency of the market prices compared to the established price for a given crop. The limit also includes any payments made to farmers because of natural disasters suffered by those farmers.

We have many areas across the country today where some kind of disaster has hit—drought, flood, hail—causing loss of production and income by farmers. There is no reason to deny payments to farmers who have suffered losses because of adverse weather just because market prices are low and the natural disaster occurred in 1977 instead of 1978.

1978 CROP

We have resolved the payment limitation problem in the Food and Agriculture Act of 1977 for 1978 and thereafter. The Congress recognized that farmers' production costs are increasing and the family farms are larger. With this in mind, the payment limit was increased by Congress to $40,000 for the 1978 crops of wheat, feed grains, and upland cotton. The limitation was raised to higher levels for subsequent years. Disaster payments were excluded from the payment limitation because farmers cannot control natural disasters.

In this year of severely depressed farm income, exempting disaster payments from the payment limitation will improve the economic situation of thousands of farmers across the United States and the economic situation of the rural communities centered in the various disaster areas.

In the farm bill we made some changes in support levels for the 1977 crop. We should now correct our previous oversight by this adjustment which excludes disaster payments from the payment limitation. H.R. 9090 is merely a correction of the farm bill taking disaster payments out of the payment limitation issues. This will provide equity for pro-

ducers, who are already in economic distress, if they have suffered crop disasters through no fault of their own.

As a matter of equity and fairness, I believe all producers should receive full protection from disaster losses for the 1977 crop.

Mr. President, I urge my colleagues to support this bill (H.R. 9090).

Mr. President, I ask unanimous consent that Frank Cushing of Senator McCLURE's staff be granted floor privileges during consideration of this measure.

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

Mr. PACKWOOD. Mr. President, will the Senator from Kansas yield some time to me?

Mr. DOLE. Yes.

Mr. PACKWOOD. Mr. President, I rise in support of this bill. If we are going to do equity for the farmers of this country, it is only fair that we apply to this past crop year, 1977, the rules that would apply under this bill to any year in the future. That is, if they were entitled to disaster payments, those payments would not be counted against the maximum limitation that farmers can receive on price support payments. This year was the worst year that farmers have faced since the Dust Bowl of the thirties. It was, of course, unexpected. Had anyone in Congress, a year ago, known that 1977 was going to be the disaster that it was, we would have passed a bill which would have exempted disaster payments from the maximum price support limitations. In any event, that is what we are doing for future years. It is therefore only equitable that we apply the same standard to this past year that we are willing to apply to any year in the future.

The cost is relatively minimal. It has been passed by the House. It is supported by the administration. There is no good reason, in good conscience, to oppose the provisions of this bill and to bring a measure—and I say, Mr. President, a measure—of relief to the farmers that were so hard hit this past year.

Even under this bill, even in future years, those that are the hardest hit will not get full recompense. If we are willing to bail out a Lockheed, as we did 6 years ago—and, I might add, it worked successfully—if we were willing to give emergency relief to New York because of the tremendous problems that they have faced, then I think it is only fair that we say to the farmers of this country, who ask very little of this Government, that we will extend to them the same courtesy, the same sympathy, the same type of help that we are willing to give to the major cities of this country and to the major business corporations of this country.

I yield the floor.

Mr. DOLE. Will the Senator yield?

Mr. PACKWOOD. Yes.

Mr. DOLE. I appreciate the comments of the distinguished Senator and his support for this measure.

I also want to say that the distinguished Senator from Idaho (Mr. McCLURE) is absent, but he supports the distinguished Senator from Oregon (Mr. PACKWOOD) and would vote for H.R. 9090 if were present.

Mr. PACKWOOD. I thank the Senator.

Mr. TALMADGE. Mr. President, this measure is supported by the distinguished chairman of the Budget Committee and the distinguished ranking minority member of the Budget Committee. I yield such time as the distinguished Senator from Oklahoma may require.

Mr. BELLMON. Mr. President, I thank the distinguished Senator from Georgia.

The chairman of the Budget Committee is on the floor at this time, but he has asked me to make this statement in behalf of the Budget Committee's position. I believe he will join me a little later with some comments of his own.

Mr. President, H.R. 9090 is a bill to exempt USDA direct grant disaster payments from the present limitations on 1977 crops of wheat, feed grains, upland cotton, and rice. I oppose this bill because it does violence to the second budget resolution and it can properly be called a give-away to benefit big farmers, who knew the rules of the game when the last crop year began.

Let me put this bill in the context of what it does to the second budget resolution and national priorities. When the Congress adopted the budget resolution only a few weeks ago, it provided generously for American agriculture. It provided $6.3 billion for outlays for the Agriculture function, and within that total, it assumed outlays of $4,811 million for farm price supports including some $447 million for USDA direct grant disaster payments. This reflected the very best estimates available at that time, and it was all anybody in the Congress suggested was needed to provide for the needs of the American farmer. This was a $4 billion increase above the administration's February 22 budget request for spending for the Agriculture function. So although I fully understand the problems which have arisen due to drought, floods, and natural disasters and their effect upon farmers, it cannot be said that the second budget resolution did not generously provide for agriculture. Indeed, it went beyond what many of us thought should be provided.

In addition, only a few days ago, the Senate adopted the Hollings amendment to the District of Columbia appropriation bill, for 1978, which provided $1.4 billion for SBA disaster loans for farmers at low-interest rates. Although that bill is now in a Senate-House conference, it is almost certain that before Congress adjourns, that the SBA disaster loan program will have that $1.4 billion available for spending.

Farmers can also qualify for low-interest rates loans from the Farmers Home Administration. This has been one of the traditional approaches to provide needy farmers with operating capital in times of disaster.

Farmers have, indeed, received generous support from the Congress this year. There is also no question that this has been a difficult year for farmers. Low prices, bad weather, and natural catastrophes have hit an unusually large number of farmers this year. We all understand that. Every Member of the Senate understands that fact.

Let me describe what this bill does. First, this bill will permit about 4,000 farmers with the average allotments of 400 to 1,000 acres to receive direct grants averaging between $3,000 to $15,000 above the payments they already will receive under current law. This bill substitutes direct grants in lieu of low-interest loans that will eventually return the money to the Treasury.

Second, although the amount of outlays provided by this bill is small—about $29 million according to the best estimates by the Congressional Budget Office and the U.S. Department of Agriculture—it is very likely to lead to a $0.1 billion breach of the agriculture function outlay ceiling in the second budget resolution. Projected outlays for the agriculture function, including $70 million for potential later requirements for agriculture research and services authorized by the Food and Agriculture Act of 1977, total over $6.3 billion. When we add the spending provided by this bill, the agriculture function outlays will total $6.4 billion, $0.1 billion above the functional ceiling in the second budget resolution. While there would likely be some reduction in fiscal year 1978 outlays in the SBA disaster loan program in function 450, the Treasury will still eventually lose $29 million because of this bill.

Third, this bill exceeds the Agriculture, Nutrition, and Forestry Committee's direct spending jurisdiction by $29 million under its section 302(b) crosswalk.

Only a few days ago, the chairman of the Agriculture, Nutrition, and Forestry Committee came to this body and filed what we call the Budget Act crosswalk in which he set out how his committee would spend the money allocated to it in the second budget resolution. Just a few days later, we find that he is asking this body to pass a bill that will exceed the amount allocated in that report. His report to the Senate on October 17 shows that the Agriculture, Nutrition, and Forestry Committee projects spending of $4,811 million for Commodity Credit Corporation (CCC) price support programs, programs within its direct spending jurisdiction. The amount of spending in this bill was not included in the $4,811 million estimate for these programs. Moreover, there are already estimates by USDA that outlays for CCC price support programs are likely to increase by $1.3 billion to $2.3 billion above the $4.8 billion which the Agriculture Committee has indicated it will spend for price support programs and which was provided in the second budget resolution.

Mr. President, I would like to digress from my prepared statement just to say this. I am a farmer. I represent a farm State. I am very interested and vitally concerned that we have good agricultural programs.

There is a real danger, in spite of the vote that was alluded to on this par-

ticular bill, that in trying to do too much for some farmers we are going to wind up causing a serious erosion in the Congress in support for needed farm legislation.

The nature of agriculture is such that it gets into financial problems from time to time due to weather, due to changes in the markets, due to, sometimes, plant diseases, and when those conditions occur, certainly, we in the Congress need to be in a position to help.

But here is a case where money is already available to these producers from the SBA through low-interest loans, through the Farmers Home Administration, through, also, favorable conditions, and now we propose to come along and give a relatively small number of farmers an additional $29 million which they could very well get from other sources, which through these low-interest loans would have to be represented.

I feel that the damage this bill will do to agriculture in the long run far exceeds the benefits that would come to that small number of farmers from the passage of this bill.

Mr. President, apart from these budget considerations, how does this bill relate to farm programs. First, we are changing the rules governing USDA disaster payments, after farmers knew what the law provided for 1977 crops when those crops were planted. Every farmer knew at the beginning of this year that there was a $20,000 limit on USDA direct payments for all crops except rice, which had a $55,000 limit for the 1977 plantings. Now here we are in October after plantings and most harvests are over. We are told we ought to change the rules. Second, there are low cost loan programs available to farmers if this bill does not pass. This bill simply gives direct grants in lieu of loans to farmers. Third, this bill provides benefits for those farmers who have large allotments and large acreages. It is not a relief bill for small farmers but a giveaway to big farm businesses.

Mr. President, there are many pressing demands on the Federal budget. As chairman of the Budget Committee, nobody knows that better than I. When we considered the second budget resolution we had many pressing demands for worthy programs. There were the needs of the cities, national defense, veterans, education, energy, and a multitude of other national priorities. But, as everyone in this body knows, there simply is not enough money to fund every worthwhile program if we are to keep taxes and the deficit in any reasonable perspective. So we had to cut out many worthy requests for money. I favored many of these requests. But when it came to agriculture and the farmer, I can say with conviction that the Congress gave the Agriculture Committee and the Appropriations Committee what they asked for. Now we are told here today that we must hand out more money to a few large farmers. We are told that we must do this because somebody forgot to include the provisions of this bill in the omnibus farm bill that the President signed into law 3 weeks ago.

If we are to have a budget process in the Senate, we must draw the line on spending such as this which exceeds what anyone intended in the second budget resolution. If this were a major bill, I would request a rollcall vote against this bill and urge my colleagues to do the same. If another measure of major proportions should come to the floor, I would certainly take that course of action. However, in this case the $29 million overage may be greatly reduced because of tradeoffs with other disaster programs. But, at the same time, it is a breach of the budget resolution. I believe Members of the Senate ought to recognize that when we undertake actions of this kind we are doing far more than simply spending $29 million, we are eroding the effectiveness of the budget process which is only now getting started. In this case, we are doing it for the benefit of very few individuals, who can be helped in other ways.

Mr. President, under these circumstances, I will register my objection and urge my colleagues not to let this bill set a precedent for future legislation.

Mr. President, I yield to the chairman of the Budget Committee.

Mr. TALMADGE. Mr. President, I yield to the distinguished chairman of the Budget Committee such time as he may desire.

Mr. MUSKIE. Mr. President, I thank my good friend from Georgia.

I would like to express my appreciation to my good friend from Oklahoma, the ranking minority member of the Budget Committee, for making this statement on behalf of the Budget Committee.

I happen to be afflicted with a painful right leg at the moment, which makes it difficult for me to stand for more than a few minutes. But I would like to endorse what Senator BELLMON has said.

Let me just repeat a few pertinent facts. I have given the Senate these facts before, but I think they need to be repeated.

When the President sent up his agriculture budget in February, he requested outlays of $2.3 billion. That figure has steadily climbed.

The Budget Committee, when it reported the second budget resolution, increased the target ceiling for agriculture outlays to $5.6 billion. Eventually, Congress increased even that amount to $6.3 billion in the second budget resolution.

Now, the current estimates of programs covered by that $6.3 billion target ceiling are that they will rise to $8.1 billion and conceivably to $8.6 billion—all of this in the 8 months since February.

That is in the agriculture function, function 350.

In addition, a short time ago, the Hollings amendment to the District of Columbia appropriations bill added another $1.4 billion for SBA disaster loans in function 450 of the budget, and that $1.4 billion will only take that program through January. It is estimated that up to another $1.4 billion will have to be added in order to carry that program through fiscal 1978.

Let us add those figures; $8.6 billion is the potential estimate for outlays in agriculture function 350. The total of SBA disaster loans of $2.8 billion in function 450 will take that figure to close to $11.4 billion in fiscal 1978 for agricultural programs and disaster relief programs, as compared with the $2.3 billion which the President requested in his budget of February of this year.

If we were to follow a similar pattern for every group in our society which can establish a need, we might as well kiss the budget process good bye.

No one argues that weather has not created severe and serious problems for our farmers; but the record of this session is that, in the name of that emergency, any legislation should be approved. Out of the blue, every few weeks or so, we get another request for another addition to these programs.

This is not a heavy outlay program we are talking about. It involves an outlay of $29 million in fiscal 1978. But, Mr. President, these are direct grants to farmers who would be eligible for the 3 percent loans that we approved just a few weeks ago; and one of the arguments was that those were loans, after all, that would be repaid by those farmers. That was the argument. Now we are told that this bill would benefit the larger farms of 400 to a thousand acres—about 4,000 of the larger farmers—and that now the 3-percent loans are not enough, that we must substitute grants up to $29 million which will not have to be repaid.

Mr. President, I know that on a rollcall vote—and Senator BELLMON and I are going to request one—we probably will be defeated overwhelmingly. Why do we ask for the rollcall vote? Because we think it is our duty to remind the Senate that the budget process is something more than choosing between good programs and bad programs. It is something more than discarding programs that are demonstrably unjustified. It means exercising the same restraint on programs for which one group or another of our society can establish a need that would appeal to our compassion, to our hearts, to our sense of pity. We have been generous with the farmers this year. The figures I have recited demonstrate that.

I am sure we cannot defeat this program. What I am concerned about is not so much this $29 million but the precedent it sets for every constituent group in this society who will come before us and make a case for breaching the congressional budget.

Before long, we are going to be asked to consider the Humphrey-Hawkins bill. I can just hear the arguments now: The Humphrey-Hawkins bill does not go far enough. It does not provide enough programs for the unemployed. It does not provide enough money. It does not set a high enough target. I suspect that one of the arguments will be the precedent we are setting today, and which we set a few weeks ago, that, after all, we did this much for the farmers; why can we not do as much for the unemployed?

Then, I can hear other groups coming before us and making the same arguments, using the mounting precedents that we will accumulate, that we have to spend more money for this group or that group or another group. Perhaps that is the trend that is being set. Perhaps the death of the budget process is in motion. Perhaps the momentum is beginning to accumulate. If that is the case, history will demonstrate whether or not that fear materializes. But it is the duty of Senator BELLMON and me to point out the dangers.

We started with $2.3 billion. In May, we went to $4.35 billion. In September, we want to $6.3 billion. Then we added $1.4 billion. Then the estimate of $6.3 billion climbed to $8.1 billion, and the recent estimates are that that is going up to $8.6 billion, and the $1.4 billion is being doubled to $2.8 billion, and now we have the $29 million.

Where do we stop? What is next month's agricultural program going to be, if we are in session that long? That is the question the Senate has to ask and answer.

I am not going to argue with the distinguished Senator from Georgia, whose chairmanship of the Agriculture Committee is one of the performances I have admired over the years, that there is no case for this. My point is that we have gone as far in terms of the budget as we should go, especially since only a few weeks ago we provided a 3-percent program for the very people to be benefited by this program.

That is the case, Mr. President. I do not know why I become so vigorous, with only four or five of us in the Chamber. Nobody is hearing the argument, except Senator BELLMON and those who already are committed to the other side. But I think the record should be made and Senators asked to focus on it by a rollcall vote, even though we will be defeated overwhelmingly. I suspect that we have more than this defeat to face in the Budget Committee, as we move in response to appeals to our compassion for one group or another in our society.

I have talked longer than I intended, but that is a Muskie inclination, once a subject seizes me. I have made the case. I am not going to belabor it, as my good friend from Georgia understands. We are making the record. There will be a vote. I have not much doubt about the outcome.

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

Mr. TALMADGE. I yield.

Mr. PACKWOOD. Mr. President, today, the Senate will decide the financial fate of many, many producers of wheat, feed grains, upland cotton, and rice. Several natural disasters have occurred this year which necessitate special consideration for those producers hardest hit. Drought, floods, rain, hail, and heavy winds have had a severe localized impact on many States' farmers. Farmers of these commodities would normally be adequately compensated by the Federal payments made to ease the impact of these disasters.

But this year, the worst year on record for drought, the wheat producers in my area are also devastated by prices that are less than one-half what they were getting just 2 years ago. Bumper crops in the Midwest have driven prices far below the cost of production. Producers are, therefore, eligible for substantial price support payments.

When you add together the dual disasters of low production and low prices, the need for Federal assistance is acute. Yet, relief programs for the 1977 crop year are limited by an arbitrary level of $20,000 for wheat, feed grains, and upland cotton.

The $20,000 limitation is intended to prevent windfalls to huge producers. This year, even the less than average sized producers will be prevented from receiving adequate relief unless some change is made.

On September 15, Senators ALLEN, CHURCH, CURTIS, HATFIELD, JACKSON, MCGOVERN, MAGNUSON, MELCHER, METCALF, SPARKMAN, TOWER, YOUNG, and ZORINSKY joined me in the introduction of S. 2103, a bill to exempt disaster payments from this severe limitation. An identical bill was introduced by Representative FOLEY, chairman of the House Agriculture Committee. His committee by a vote of 36 to 8, urged the adoption of the bill on September 27. The record of the hearings include a statement of support by Secretary of Agriculture, Bob Bergland, and an assessment of the cost by the Congressional Budget Office and USDA, of between $25 and $30 million. The committee's dissenters cited primarily budgetary reasons for their opposition.

On October 5, the House Committee on Appropriations also favorably reported the bill. The House of Representatives passed the bill, H.R. 9090, by 265 yeas to 127 nays on Monday, October 17.

Senator TALMADGE, feeling that Senate Agriculture Committee hearings on my identical bill, S. 2103, were not needed, agreed to hold H.R. 9090 at the desk after House passage in order to greatly expedite Senate action and provide the necessary relief at the earliest time possible.

During House consideration of the bill, several questions were raised which I feel merit a point-by-point response.

First. This bill is the Fat-Cat Farmer Relief Act of 1977.

This statement is not supported by the facts. In the Pacific Northwest, dryland wheat producers are harvesting roughly one-half of the historically established yield because of drought.

An average-sized ranch includes approximately 2,000 acres, but only half of that is in production because the rest lies fallow to retain moisture in the soil. The lack of moisture in normal years means this ground only yields an average of 30 bushels per acre. This year, Pacific Northwest dryland wheat producers harvested an average of 15 bushels.

Deficiency, or price support, payments on this average-sized farm will be $9,750. This figure is the result of multiplying 65 cents per bushel (target price of $2.90 minus loan rate of $2.25) times 15,000 bushels (1,000 acres times 15 bushels per acre).

Also, this hypothetical, average farmer, would receive $14,550 in disaster, or low-yield, payments. This figure is the result of multiplying 97 cents per bushel (computation mandated by the farm bill) by 15,000 bushels (the bushels not produced because of drought).

Adding these figures together results in the average farmer being eligible for $24,300, but for the $20,000 limitation on his Federal assistance.

Therefore, I say one again, the allegation that this bill is fat-calf relief is totally unsupported by the facts. Even a smaller than average producer harvesting 800 acres in Oregon, Washington, and Idaho will be adversely affected without my bill to exempt disaster payments.

Second. Opponents in the House of Representatives said $20,000 is enough subsidy for any farmer. Giving them more is just lining pockets.

Below are 10 items that go into the production of wheat on an average-sized dryland wheat ranch. I ask my colleagues whether they believe the farmers are lining their pockets with profits.

Items	Cost	Useful life (years)
1. Wheat combine	$50,000–$60,000	10
2. Tractor (D-6)	50,000–75,000	10
3. Trucks, two	30,000	8
4. Set of drills	10,000–15,000	20
5. Weeders	10,000	10
6. Chisel plow	8,000	20
7. Springtooth cultivator	8,000	20
8. Seed	4,000	1
9. Labor (hired)	10,000	1

10. Land, buildings, shop, interest on loans, fuel, fertilizer, taxes, insurance, proprietor's labor cost, etc.

I do not think we need to worry about farmers receiving excess profits. I have yet to see a successful farmer fail to reinvest the large majority of his earnings.

Third. Some House Members, admitting the seriousness of the situation, believed the problem should be taken care of by loan programs through Farmer's Home Administration or the Small Business Administration.

I held 2 days of hearings for the Senate Small Business Committee in Oregon during August for the express purpose of determining what drought relief is necessary in the agricultural community. I was able to announce the availability in Oregon of SBA loans of up to $250,000 at only 3-percent interest. The news was well received, but the witnesses at those hearings impressed something upon me I will never forget. They testified regarding the extent to which they are currently borrowing from banks, Federal agencies and whatever other sources are available. Frankly, they are borrowed out. As anyone knows, there is an upper limit to the value of a loan. When it cannot be paid back, no matter what the rate

of interest, that loan is creating more problems than it solves. The millions of dollars lost in the 1977 drought cannot be brought back by huge loans at low rates of interest.

Fourth. Some will argue that this bill would change the rules in the middle of the game. Farmers knew the rules before they planted and they should be expected to live by those rules regardless.

I would hate to think that anyone would regard the rules more highly than providing sustenance for those who have provided it to us for so long. When difficult times have encompassed Americans in a number of circumstances in the past, we have "changed the rules." We changed the rules for the Penn Central Railroad. We changed the rules for Lockheed. We came to the assistance of New York City. Disasters like drought do not respect the size of the farm they devastate. I hope we will not discriminate by cutting off assistance to those who need it most. Providing financial relief is almost by nature changing the rules.

I have a chart prepared at my request by the Congressional Research Service. The chart shows the impact my bill will have on dryland wheat producers in the Pacific Northwest. The vertical axis indicates the dollar amount received by a farmer who is producing one-half of his normal yield.

Producers in my area who average a harvest of 30 bushels to the acre are harvesting roughly 15 bushels this year. The horizontal axis indicates how many acres the farmer is harvesting. An average size farm in the Northwest is approximately 1,000 acres.

Under current law, no payments would be made over $20,000 for both the deficiency and disaster payments. Under my bill, disaster payments are not included in the $20,000 limitation, so they could rise based on the severity of the drought. If a large farmer receives his maximum deficiency payment of $20,000, thereafter the total payment increase only reflects the magnitude of the disaster.

This is a very simple bill. It is a fair bill. It is necessary. I urge my colleagues to support it.

Mr. BELLMON. Mr. President, will the Senator yield me 3 minutes?

Mr. TALMADGE. I yield to the distinguished Senator from Oklahoma.

Mr. BELLMON. Mr. President, there is one other danger I should like to point out, as it relates to this bill.

As the Senator knows, I am a member of the Agriculture Committee. We possibly could make adjustments in other programs so as to remain within the appropriate fiscal totals. However, that may be difficult, since all spending legislation is now in place, except for the agriculture research, which will be funded by the Appropriations Committee in the near future.

I strongly doubt the wisdom of subtracting $29 million from agriculture research. If there is one spending effort we make in Congress that I feel returns rich benefits, is in agricultural research. I am not going to be in favor of subtracting $29 million from agricultural research in order to give these substantial sums of money to a small number of fairly large farmers.

In addition, Mr. President, we already seen a huge jump this year in disaster spending. Floor debate on SBA disaster loans promised a comprehensive study of all our disaster assistance programs. This forthcoming disaster study hopefully will help us avoid in the future the kinds of budget problems posed by the widespread drought this year. Long ago, I expressed the opinion that, at a minimum, disaster programs needed such features as credit tests, near-market level interest borrowing rates, and proof of significant loss to avoid potential program abuse. I would hope that the study would look into the viability of such recommendations. As of now, the multitude and complexity of the many disaster loan and grant programs make evaluation difficult.

To sum up, Mr. President, I oppose H.R. 9090. I feel this legislation does present potential damage to the budgetary process, that it is unnecessary in light of recent congressional action providing additional funding for the SBA disaster loan program.

The ACTING PRESIDENT pro tempore. The Senator's 2 minutes have expired.

Mr. BELLMON. Mr. President, will the Senator yield me 1 additional minute?

Mr. TALMADGE. I yield 1 additional minute to the Senator from Oklahoma.

Mr. BELLMON. And, further, the removal of the payment limitations retroactively is an unwise policy for Congress to attempt whether it relates to agriculture or any other area of endeavor.

There is a genuine need for a review and updating of the country's entire disaster programs but this legislation does nothing to accomplish that objective. The roughly $29 million cost of H.R. 9090 would go primarily to individuals who have ready access to other funds and who were fully aware of the $20,000-payment limitation which was in place when they planted their crops.

I consider this expenditure to be an unexpected, unnecessary, and undeserved bonanza for a relatively few large farmers.

Mr. TALMADGE. Mr. President, is the distinguished Senator from Kansas prepared to yield back the remainder of his time?

Mr. DOLE. Mr. President, I yield back the remainder of my time.

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

Mr. TALMADGE. I yield to the Senator from Maine.

Mr. MUSKIE. Mr. President, I ask unanimous consent that a "Dear Colleague" letter distributed today be printed in the RECORD.

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

COMMITTEE ON THE BUDGET,
Washington, D.C., October 24, 1977.

DEAR COLLEAGUE: The Senate will soon consider H.R. 9090, a bill to exempt U.S.D.A. direct grant disaster payments on 1977 wheat, feed grains, cotton and rice crops from payment limitations. I want to report on the relationship of this bill to the Second Budget Resolution and on its impact on the farmers of this nation.

This bill exceeds the Agriculture, Nutrition and Forestry Committee's direct spending jurisdiction by $29 million under its Section 302(b) crosswalk. Only two days ago, the chairman of the Agriculture Committee filed what we call "the Budget Act crosswalk" in which he set out the manner in which the Committee would spend the money allocated to it in the Second Budget Resolution. The crosswalk report from the Agriculture Committee to the Senate shows that the direct spending jurisdiction of the Agriculture Committee projects spending of $4,811 million for Commodity Credit Corporation (CCC) price support programs. The amount of spending in H.R. 9090 *was not included* in this estimate. Moreover, there are already estimates by U.S.D.A. that outlays for CCC price support programs are likely to increase by $1.3 billion to $2.3 billion above the $4.8 billion which the Agriculture Committee has indicated are necessary for price support programs and which were assumed in the Second Budget Resolution.

Indeed, when Congress adopted the Second Budget Resolution only a few weeks ago, it provided $6.3 billion for outlays in the Agriculture function, and within that total it anticipated outlays of $4,811 million for farm price supports, including a generous $447 million for U.S.D.A. direct grant disaster payments. Although I fully understand the problems which have arisen such as drought, floods, and natural disaster and their effect upon farmers, it cannot be said that the Second Budget Resolution did not generously provide for Agriculture. Moreover, alternative sources are available to meet the needs of farmers arising from disasters. The Senate recently adopted the Hollings amendment to the FY 1978 D.C. Appropriation bill which provided $1.4 billion for SBA disaster loans for farmers at low interest rates. Although that bill is now in a Senate-House conference, it is almost certain that before Congress adjourns, those funds will be available for spending through the SBA disaster loan program.

In addition, farmers can also qualify for low interest loans from the FmHA. This has been one of the traditional approaches to provide needy farmers with operating capital in time of disaster.

This bill will permit 4,000 farmers with average allotments of 400 to 1,000 acres to receive direct grants averaging between $3,000 and $15,000 above the payments they already will receive under current law. The larger the farm allotment, the larger the increased grant. This bill would substitute direct cash grants in lieu of low interest loans that would eventually return money to the Treasury.

Although the amount of outlays provided in this bill is small, (about $29 million according to the best estimates of CBO and the U.S.D.A.), it is likely to lead to an $0.1 billion breach of the Agriculture function outlay ceiling in the Second Budget Resolution. Avoidance of this breach can only occur if a comparable reduction is made in funding for Agriculture research and services, a program that the Agriculture Committee and the Appropriations Committee have historically supported.

Finally, I would note that there are many pressing demands on the Federal budget. As chairman of the Budget Committee, nobody knows better than I the many worthwhile programs which plead for Federal funding. There are many people in divergent sectors of the country whose needs are great. Our limited Federal dollars must be responsibly

allocated. The Congress has stated its priorities in the spending allocations in the Second Budget Resolution. We must abide by our decisions if we are to have a meaningful Congressional budget process.

Sincerely,

EDMUND S. MUSKIE.

Mr. TALMADGE. Mr. President, I am prepared to yield back the remainder of my time.

When I yield back the remainder of my time, I shall suggest the absence of a quorum. We will need 11 Senators in the Chamber to order the yeas and nays as requested by the distinguished Senators from Maine and Oklahoma, and when we get the 11 Senators, I expect to withdraw the quorum call. At the suggestion of the distinguished majority leader and with the concurrence of the distinguished Senator from Kansas as well as myself, this record vote will be set for 2:30 p.m. this afternoon.

I yield back the remainder of my time, and suggest the absence of a quorum.

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

The assistant legislative clerk proceeded to call the roll.

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

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

ORDER FOR ROLLCALL VOTE AT 2:30 P.M.

Mr. TALMADGE. Mr. President, I ask unanimous consent that, when the yeas and nays are ordered, the vote will occur at 2:30 p.m. today.

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

ORDER FOR WAIVER OF PARAGRAPH 3, RULE XII

Mr. TALMADGE. And I ask unanimous consent that paragraph 3 of rule XII be waived.

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

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

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

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. 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. TALMADGE. Mr. President, I ask for the yeas and nays on the bill.

The ACTING PRESIDENT pro tempore. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. TALMADGE. Mr. President, as I understand it, unanimous consent has already been given to have a record vote on this bill at 2:30 p.m. today.

The ACTING PRESIDENT pro tempore. The Senator is correct.

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

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

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. 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.

EXEMPTING DISASTER PAYMENTS FROM PAYMENTS LIMITATIONS

Mr. ALLEN. Mr. President, I support H.R. 9090. On September 15, I joined my distinguished colleague, Senator BOB PACKWOOD of Oregon, in sponsoring S. 2103 which is an identical bill to H.R. 9090.

It is imperative, Mr. President, that we pass this legislation currently before us. This bill would exempt disaster payments made in connection with the 1977 crops of wheat, feed grains, upland cotton, and rice from the limitations imposed by current law which states that Federal payments to help with disaster losses and support prices must not exceed $20,000.

This law was part of the provisions of the Agriculture and Consumer Protection Act of 1973. At that time no one could possibly foresee the calamitous weather conditions which were to befall our farmers this year. Alabama suffered what could well be its most severe drought in history. Our corn crop has been a total loss and the cotton yield has been reduced by one-half. Though not covered by disaster payments, our pasture land has been destroyed.

The situation is incongruous in that while there is a record corn harvest in the remainder of the country keeping the prices at a low point, farmers of my State have lost their corn crop and stand in need of every bit of assistance possible.

In addition to the disaster and low farm prices my farmers have been frustrated by Government redtape and a lack of funds in Federal assistance programs. In the fiscal year 1978 agricultural appropriations bill, I joined Senator TALMADGE, the distinguished chairman of the Senate Committee on Agriculture, in securing an appropriation of $50 million for use in the Southeast for drought relief in 1977 through the Department of Agriculture's drought and flood conservation program. Alabama was allocated $4 million for this emergency program to replant vegetative cover. But when this amount was divided among our 67 counties, all of which were declared disaster areas, the amount available in each county proved to be inadequate to meet the needs of our farmers. At last report we still had some $7 million worth of unfunded applications on hand in our ASC county offices.

Because of the "credit elsewhere test" involved in Farmers Home Administration loans and the delays in formulating the necessary guidelines to qualify for SBA disaster loans, our farmers have experienced complete and utter frustration. Recently one of the farmers of my State wrote me saying:

> If the government is going to publicize various programs as emergency help, then I believe it should be available to all that are qualified within a reasonable length of time. . . . I have been a taxpayer for many years and have never requested or needed any federal aid. Due to the drought this summer, I am in need of assistance. I feel that some should be available.

This same experience can be related time and time again in various areas of our Nation by farmers who have suffered loses from unusual weather conditions including drought, freezing temperatures, wind, hail, rain, and flooding.

This legislation would leave the upper limitation on price support payments, but remove disaster payments to allow them to rise relative to the severity of each local disaster. The House of Representatives passed this bill by a wide margin earlier this session. It has been endorsed by the administration. USDA and the Congressional Budget Office are in agreement that its cost would range between $25 and $30 million.

Alabama farmers have already lost more than a half-billion dollars this year. The assistance which can be provided by this legislation is a small price to pay to insure the continued existence of our farmers, because that which benefits the farmer benefits us all.

Mr. TALMADGE. Mr. President, I ask unanimous consent that a statement by the Senator from North Dakota (Mr. BURDICK) relating to this bill be printed in the RECORD.

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

STATEMENT BY SENATOR BURDICK

I support H.R. 9090 and ask my colleagues to do likewise.

H.R. 9090 would accomplish one important purpose. This bill would go far towards eliminating the disparity between geographical regions in this country, in terms of an individual farmer's ability to collect deficiency and disaster payments due him under the law. The maximum amount a farmer may collect in disaster and deficiency payments under the law as it exists today does not reflect the production costs of a family farm in the upper Midwest.

In the Food and Agriculture Act of 1977 passed recently by this Congress, we included language that reaffirms our support of the family farm. H.R. 9090 is consistent with that purpose in its recognition of the capital requirements of a family farm.

As an operator of a family farm in North Dakota recently told me, "There is no limit on my expenses, but there is on my income. At that rate, I'm not going to last very long."

I support H.R. 9090.

Mr. TOWER. Mr. President, I am pleased to rise in support of H.R. 9090. In mid-September I was happy to cosponsor S. 2103, a similar bill, with my distinguished colleague from Oregon.

The recently approved farm legislation, although not meeting all the needs of this Nation's food and fiber producers, will be beneficial to both producers and consumers as we endeavor to provide price and income protection for our farmers while assuring consumers of adequate supplies of food and fiber.

Our Nation is blessed with tremendous agricultural production which has been influenced and assisted by research and the dedication of our producers and those supplying vital inputs. However, these advances have placed our producers in an untenable and unfortunate situation. Our quest for adequate food and fiber has reached the thin line of demarcation between it and an abundance of food and fiber. We are faced with oversupplies in

some of our commodities, even with the drought conditions which existed in many of our food-producing States during this past summer.

Many producers of wheat, feed grains, rice and cotton will suffer needlessly if the payment limitations contained in current law are imposed on our 1977 crops. H.R. 9090 does not seek to increase the payment limitations for 1977. It is designed to define "payments" such that when the Secretary of Agriculture determines that compensation for disaster is necessary, this compensation would not be included in the 1977 crop year. The economic damage resulting from the failure to exempt current crops from payment limitations would only serve to aggravate the economic climate our agricultural producers now face.

We must do all that is within our power to preserve the industry which is most basic to the sustenance of our people. We must not allow our agricultural apparatus to fall victim of weather conditions over which we have no control nor to economic consequences precipitated by inflationary pressures. In Texas alone, Mr. President, we lost 3,000 farmers over the past 24 months. I am sure that each of you can cite similar statistics characteristics of your State's agricultural community. Recent data issued by the U.S. Department of Agriculture indicate that our farm population in 1976 was 600,000 fewer than in 1975. Even today, our farm population is 15 percent below the 1970 level.

Yet, thanks to the dedication of that fledgling 8.3 million people on slightly more than 2.5 million farms, our producers have shown that they are capable of feeding the people of this country. Unlike most industries, the agricultural sector of our economy buys in a seller's market and sells in a buyer's market. Neither the farmer of today nor yesterday can pass his increased production costs on to those who buy the fruits of his labor. He cannot discontinue production when he senses an economic squeeze occurring for his financial obligations must still be met. He cannot acquire money capital from sales of stocks and securities to meet his financial needs when prices are low for the goods he produces. He does not have labor unions to negotiate higher wages and salaries. No wonder we are hearing cries of unrest, and even fear, among farmers in many of our States.

Mr. President, we have before us legislation which will be of sizable assistance to our Nation's producers of agricultural products. We have an opportunity to combat some of the uncontrollable forces of nature which have been placed upon our food and fiber producing mechanism.

I urge you to support H.R. 9090 which will allow producers to take advantage of a program which was designed to assist them when market and weather conditions dictate irreparable economic ruin.

Mr. THURMOND. Mr. President, I rise in support of H.R. 9090, a bill designed to exempt disaster payments received by farmers stricken by drought, floods, and other disasters, from the payment limitation applicable to the 1977 crop of wheat, feed grains, upland cotton, and rice.

The Food and Agriculture Act of 1977, already passed by the 95th Congress, provides that starting with the 1978 crop year, any payment which is determined by the Secretary of Agriculture to represent compensation received for disaster loss shall not be included in the payment limitation applying to wheat, feed grains, upland cotton, and rice. H.R. 9090 is consistent with this action already taken by the 95th Congress.

Mr. President, current farm prices and farm incomes are at a very low level. Grain producers are receiving market prices equal to only about two-thirds of their production costs. The U.S. Department of Agriculture has projected that as a result of low farm prices, net farm income for 1977 will be less than $20 billion compared with $33 billion in 1973. During this same period, production costs have increased by more than 30 percent. In those regions where the disaster conditions have been most severe, a major source of income will be derived by disaster payments. To apply the payment limitation to these disaster payments for the 1977 crop year would result in economic hardship to many farmers.

Earlier this year, I toured several of the counties in my home State which were hit hardest by dry weather conditions I witnessed firsthand one of the most disturbing sights I have ever seen as a representative of the people of South Carolina. In some areas, farmers' crops and livestock feed supplies were nearly wiped out by the extended period of hot, dry weather. The situation is serious, and many farmers face financial disaster.

Mr. President, I would again like to emphasize that this measure before the Senate today is totally consistent with the Food and Agriculture Act of 1977 which has already passed Congress and was signed into law by the President. I urge my colleagues to join me in support of H.R. 9090.

DISASTER PAYMENTS EXEMPTION

Mr. HATFIELD. Mr. President, I strongly endorse this bill, which will compensate farmers for their losses from natural disasters in the same manner to which they will be entitled under the provisions of the 1978 farm bill.

Thousands of farmers throughout the country have been the victims of two disasters during this year—a price disaster and a drought disaster. The USDA projects a 40-percent decrease in net farm income for 1977, compared to that of 4 years ago. During that same period, production costs have increased by more than 30 percent. Compounding this severely depressed farm income, have been the disastrous effects of the drought.

In order that all producers receive full protection from disaster losses for the 1977 crops, the present bill exempts disaster payments made in connection with the 1977 crops of wheat, feed grains, upland cotton, and rice from the $20,000-limitations imposed by current law. Family farms will be the primary recipients of such Government allowances.

According to estimates by the Congressional Budget Office and the USDA, the cost for such a provision would range between $25 and $30 million. It is an amount well worth spending, in recognition of the plight of our Nation's farmers, and the importance of the economic stability of America's farms to our citizens.

Mr. President, I trust that the Senate will act favorably on a bill which will provide most needed assistance to disaster-stricken farms.

Mr. TALMADGE. Mr. President, I ask that the third reading on the bill occur.

The ACTING PRESIDENT pro tempore. The bill is open to amendment. If there be no amendment to be offered, the question is on the third reading of the bill.

The bill was ordered to a third reading and was read the third time.

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

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

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. 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.

ENERGY PRODUCTION AND CONSERVATION TAX INCENTIVE ACT

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now proceed to the consideration of H.R. 5263, which the clerk will state by title.

The assistant legislative clerk read as follows:

A bill (H.R. 5263) to suspend until the close of June 30, 1980, the duty on certain bicycle parts.

The Senate proceeded to the consideration of the bill which had been reported from the Committee on Finance with an amendment to strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE; AMENDMENT TO 1954 CODE.

(a) SHORT TITLE.—This Act may be cited as the "Energy Production and Conservation Tax Incentive Act".

(b) AMENDMENT OF 1954 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1954.

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TITLE I—TAX INCENTIVES FOR THE PRODUCTION AND CONSERVATION OF ENERGY AND FOR CONVERSION TO ALTERNATIVE ENERGY SOURCES

PART I—RESIDENTIAL ENERGY CREDIT

SEC. 1011. RESIDENTIAL ENERGY CREDIT.

(a) GENERAL RULE.—Subpart A of part IV of subchapter A of chapter 1 (relating to credits allowable) is amended by inserting after section 44B the following new section:

"SEC. 44C. RESIDENTIAL ENERGY CREDIT.

"(a) GENERAL RULE.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the sum of—

"(1) the qualified energy conservation expenditures, plus

"(2) the qualified renewable energy source expenditures.

"(b) QUALIFIED EXPENDITURES.—For purposes of subsection (a)—

"(1) ENERGY CONSERVATION.—In the case of any dwelling unit, the qualified energy conservation expenditures are 20 percent of so much of the energy conservation expenditures made by the taxpayer during the taxable year with respect to such unit as does not exceed $2,000.

"(2) RENEWABLE ENERGY SOURCES.—In the case of any dwelling unit, the qualified renewable energy source expenditures are the following percentages of the renewable energy source expenditures made by the taxpayer during the taxable year with respect to such unit:

"(A) 30 percent of so much of such expenditures as does not exceed $2,000, plus

"(B) 20 percent of so much of such expenditures as exceeds $2,000 but does not exceed $10,000.

"(3) PRIOR EXPENDITURES BY TAXPAYER ON SAME RESIDENCE TAKEN INTO ACCOUNT.—If for any prior taxable year a credit was allowed to the taxpayer under this section with respect to any dwelling unit by reason of energy conservation expenditures or renewable energy source expenditures, paragraph (1) or (2) (whichever is appropriate) shall be applied for the taxable year with respect to such dwelling unit by reducing each dollar amount contained in such paragraph by the prior year expenditures taken into account under such paragraph.

"(4) MINIMUM DOLLAR AMOUNT.—No credit shall be allowed under this section with respect to any return for any taxable year if the amount which would (but for this paragraph) be allowable with respect to such return is less than $10.

"(5) CREDIT IN LIEU OF FEDERAL GRANT.—No credit shall be allowed under subsection (a) with respect to any expenditures in connection with the acquisition, leasing, construction, or installation of any item if any such expenditure is paid for directly or indirectly from the proceeds of any grant under any program—

"(A) established under the Energy Conservation in Existing Buildings Act of 1975,

"(B) administered by the Secretary of Agriculture in carrying out Farmer's Home Administration weatherization grant programs, or

"(C) administered by the Director of the Community Services Administration in carrying out weatherization programs under section 222(a)12 of the Economic Opportunity Act of 1964.

"(c) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

"(1) ENERGY CONSERVATION EXPENDITURE.—The term 'energy conservation expenditure' means an expenditure made on or after April 20, 1977, by the taxpayer for insulation or any other energy-conserving component (or for the original installation of such insulation or other component) installed in or on a dwelling unit—

"(A) which is located in the United States, the Virgin Islands, or Guam,

"(B) which is used by the taxpayer as his principal residence, and

"(C) the construction of which was substantialy completed before April 20, 1977.

"(2) RENEWABLE ENERGY SOURCE EXPENDITURE.—

"(A) IN GENERAL.—The term 'renewable energy source expenditure' means an expenditure made on or after April 20, 1977, by the taxpayer for renewable energy source property installed in connection with a dwelling unit—

"(i) which is located in the United States, the Virgin Islands, or Guam, and

"(ii) which is used by the taxpayer as his principal residence.

"(B) ITEMS INCLUDED.—The term 'renewable energy source expenditure' includes only expenditures for—

"(i) renewable energy source property,

"(ii) labor costs properly allocable to the onsite preparation, assembly, or installation of renewable energy source property, or

"(iii) the leasing of property which uses solar energy for any purpose described in paragraph (5)(A)(i).

"(C) SWIMMING POOL, ETC., USED AS STORAGE MEDIUM.—The term 'renewable energy source expenditure' does not include any expenditure properly allocable to a swimming pool used as an energy storage medium or to any other energy storage medium which has a function other than the function of such storage.

"(3) INSULATION.—The term 'insulation' means any item—

"(A) which is specifically and primarily designed to reduce when installed in or on a dwelling (or water heater) the heat loss or gain of such dwelling (or water heater),

"(B) the original use of which begins with the taxpayer,

"(C) which can reasonably be expected to remain in operation for at least 3 years, and

"(D) which meets the performance and quality standards, if any, which—

"(i) have been prescribed by the Secretary by regulations, and

"(ii) are in effect at the time of the acquisition of the item.

"(4) OTHER ENERGY-CONSERVING COMPONENT.—The term 'other energy-conserving component' means any item (other than insulation)—

"(A) which is—

"(i) a replacement furnace or boiler designed to provide more efficient energy utilization by improving heat generation or lowering heat losses,

"(ii) a furnace replacement burner designed to achieve a reduction in the amount of fuel consumed as a result of increased combustion efficiency,

"(iii) a device for modifying flue openings designed to increase the efficiency of operation of the heating system,

"(iv) an electrical or mechanical furnace ignition system which replaces a gas pilot light,

"(v) a storm or thermal window or door for the exterior of the dwelling,

"(iv) an automatic energy-saving setback thermostat,

"(vii) caulking or weather stripping of an exterior door or window,

"(viii) a heat pump which replaces an electric resistance heating system, or

"(ix) meters which display the cost of energy usage,

"(x) a replacement fluorescent lighting system, or

"(xi) an item of the kind which the Secretary specifies by regulations as increasing (by conversion or otherwise) energy efficiency of the dwelling,

"(B) the original use of which begins with the taxpayer,

"(C) which can reasonably be expected to remain in operation for at least 3 years, and

"(D) which meets the performance and quality standards, if any, which—

"(i) have been prescribed by the Secretary by regulations, and

"(ii) are in effect at the time of the acquisition of the item.

In establishing regulations under this subparagraph, the Secretary shall prescribe (i) guidelines setting forth the criteria which are used in the determination of whether an item is an energy-conserving component, and (ii) a procedure under which a manufacturer of an item may request the Secretary to specify or certify that item as an energy conserving component.

"(5) RENEWABLE ENERGY SOURCE PROPERTY.—

The term 'renewable energy source property' means property—

"(A) which, when installed in connection with a dwelling—

"(i) uses solar energy for the purpose of heating or cooling such dwelling or providing hot water for use within such dwelling,

"(ii) uses wind energy for nonbusiness residential purposes,

"(iii) is necessary to distribute or use geothermal deposits (as defined in section 613(e)) which provide geothermal energy to heat or cool such building or provide hot water for use within such building, or

"(iv) uses any other form of renewable energy which the Secretary specifies by regulations,

"(B) the original use of which begins with the taxpayer,

"(C) which can reasonably be expected to remain in operation for at least 5 years, and

"(D) which meets the performance and quality standards, if any, which—

"(i) have been prescribed by the Secretary by regulations, and

"(ii) are in effect at the time of the acquisition of the property.

"(6) CONSULTATION IN PRESCRIBING STANDARDS.—Performance and quality standards shall be prescribed by the Secretary under paragraphs (3), (4), and (5) only after consultation with the Secretary of Energy, the Secretary of Housing and Urban Development, and other appropriate Federal agencies.

"(7) WHEN EXPENDITURES MADE; AMOUNT OF EXPENDITURES.—

"(A) Except as provided in subparagraph (B), an expenditure with respect to an item shall be treated as made when original installation of the item is completed.

"(B) In the case of renewable energy source expenditures in connection with the construction or reconstruction of a dwelling, such expenditures shall be treated as made when the original use of the constructed or reconstructed dwelling by the taxpayer begins.

"(C) The amount of any expenditure shall be the cost thereof.

"(D) If less than 80 percent of the use of an item is for nonbusiness residential purposes, only that portion of the expenditures for such item which is properly allocable to use for nonbusiness residential purposes shall be taken into account. For purposes of the preceding sentence, use for a swimming pool shall be treated as use which is not for residential purposes.

"(8) PRINCIPAL RESIDENCE.—The determination of whether or not a dwelling unit is a taxpayer's principal residence shall be made under principles similar to those applicable to section 1034, except that—

"(A) no ownership requirement shall be imposed, and

"(B) the period for which a dwelling is treated as the principal residence of the taxpayer shall include the 30-day period ending on the first day on which it would (but for this subparagraph) be treated as his principal residence.

"(d) SPECIAL RULES.—For purposes of this section—

"(1) DOLLAR AMOUNTS IN CASE OF JOINT OCCUPANCY.—In the case of any dwelling unit which is jointly occupied and used during any calendar year as a principal residence by 2 or more individuals—

"(A) the amount of the credit allowable under subsection (a) by reason of energy conservation expenditures or by reason of renewable energy source expenditures (as the case may be) made during such calendar year by any of such individuals with respect to such dwelling unit shall be determined by treating all of such individuals as one taxpayer whose taxable year is such calendar year; and

"(B) each of such individuals shall be allowed a credit under subsection (a) for the taxable year in which such calendar year ends (subject to the limitation of paragraph (4) of subsection (b)) in an amount which bears the same ratio to the amount determined under subparagraph (A) as the amount of such expenditures made by such individual during such calendar year bears to the aggregate of such expenditures made by all of such individuals during such calendar year.

"(2) TENANT-STOCKHOLDER IN COOPERATIVE HOUSING CORPORATION.—In the case of an individual who holds stock as a tenant-stockholder (as defined in section 216) in a cooperative housing corporation (as defined in such section), such individual shall be treated as having made his tenant-stockholder's proportionate share (as defined in section 216(b)(3)) of any expenditures of such corporation.

"(3) CONDOMINIUMS.—

"(A) IN GENERAL.—In the case of an individual who is a member of a condominium management association with respect to a condominimum which he owns, such individual shall be treated as having made his proportionate share of any expenditures of such association.

"(B) CONDOMINIUM MANAGEMENT ASSOCIATION.—For purposes of this paragraph, the term 'condominimum management association' means an organization which meets the requirements of paragraph (1) of section 528(c) (other than subparagraph (E) thereof) with respect to a condominium project substantially all of the units of which are used as residences.

"(e) BASIS ADJUSTMENTS.—For purposes of this subtitle, if a credit is allowed under this section for any expenditure with respect to any property, the increase in the basis of such property which would (but for this subsection) result from such expenditure shall be reduced by the amount of the credit so allowed.

"(f) TERMINATION.—This section shall not apply to expenditures made after December 31, 1985."

(b) CREDIT TO BE REFUNDABLE.—

(1) Section 6401(b) (relating to amounts treated as overpayments) is amended—

(A) by striking out "oil) and 43" and inserting in lieu thereof "oil), 43",

(B) by inserting ", and 44C (relating to residential energy credit)" after "credit)", and

(C) by striking out "and 43," and inserting in lieu thereof ", 43, and 44C,".

(2) Section 6201(a)(4) (relating to assessment authority) is amended—

(A) by striking out "or 43" in the caption thereof and inserting in lieu thereof ", 43, or 44C",

(B) by striking out "oil) or section 43" and inserting in lieu thereof "oil), section 43", and

(C) by inserting "or section 44C (relating to residential energy credit)," after "income),".

(c) CERTAIN LOANS REDUCED BY AMOUNT OF CREDIT.—The amount of any loan or advance of credit which an individual is eligible for under—

(1) title I of the National Housing Act (but only if such loan or advance of credit may be purchased under section 314 of the Federal National Mortgage Association Charter Act), or

(2) any loan program with respect to the purchase and installation of solar heating and cooling equipment administered by the Secretary of Housing and Urban Development,

shall be reduced by the amount of the credit which is allowed under section 44C of the Internal Code of 1954, as added by subsection (a), for the purchase or installation of an item which the proceeds of such loan or advance of credit are to be used for.

(d) INSPECTION.—To the extent not presently authorized by any agency of the United States in the assessment and collection of income taxes, no procedure or practice which utilizes onsite inspection of the residence of an individual shall be employed to determine if that individual is entitled to a credit under section 44C of the Internal Revenue Code of 1954, as added by subsection (a), unless such procedure or practice provides that such inspection shall take place only with the written consent of such individual.

(e) TECHNICAL AND CLERICAL AMENDMENTS.—

(1) The table of sections for subpart A of part IV of subchapter A of chapter 1 is amended by inserting after the item relating to section 44B the following new item:

"SEC. 44C. Residential energy credit."

(2) Subsection (c) of section 56 (defining regular tax deduction) is amended by striking out "credits allowable under—" and all that follows and inserting in lieu thereof "credits allowable under subpart A of part IV other than under sections 31, 39, 44C, 44E, 44F, and 44G."

(3) Subsection (a) of section 1016 (relating to adjustments to basis) is amended by inserting after paragraph (20) the following new paragraph:

"(21) to the extent provided in section 44C(e), in the case of property with respect to wh.ch a credit has been allowed under section 44C;".

(4) Subsection (b) of section 6096 (relating to designa'ion of income tax payment to Presidential Election Campaign Fund) is amended by striking out "and 44B" and inserting in lieu thereof "44B, and 44C".

(f) EFFECTIVE DATE. The amendments made by this section shall apply to taxable years ending on or after April 20, 1977.

PART II—TRANSPORTATION

Subpart A—Motor Fuels

SEC. 1021. EXTENSION TO 1985 OF EXISTING RATE OF TAX ON GASOLINE AND OTHER MOTOR FUELS; EXEMPTION OR REDUCTION OF RATE FOR CERTAIN BLENDED FUELS.

(a) EXTENSION OF EXISTING RATE.—The following provisions are amended by striking out "1979" and inserting in lieu thereof "1985";

(1) Section 4041(e) (relating to rate reduction).

(2) Section 4081(b) (relating to imposition of tax on gasoline).

(3) Section 6421(h) (relating to tax on gasoline used for certain nonhighway purposes or by local transit systems).

(b) REDUCTION OF RATE OR EXEMPTION FROM TAX FOR CERTAIN BLENDED FUELS.—

(1) REDUCTION OF RATE FOR CERTAIN BLENDED FUELS.—Subsection (a) of section 4081 (relating to imposition of tax on gasoline) is amended to read as follows:

"(a) IN GENERAL.—There is hereby imposed on gasoline sold by the producer or importer thereof, or by any producer of gasoline, a tax of—

"(1) 4 cents a gallon, or

"(2) in the case of gasoline which is not less than 10 percent by volume ethanol, methanol (other than methanol derived from natural gas or petroleum), or a combination thereof, 3 cents a gallon.".

(2) EXEMPTION FOR CERTAIN BLENDED FUELS.—Section 4081 is amended by adding at the end thereof the following new subsection:

(c) EXEMPTION FOR CERTAIN BLENDED FUELS.—The tax imposed by subsection (a) shall not apply in the case of gasoline which is not less than 10 percent by volume ethanol, methanol, or a combination thereof, derived

from agricultural or forestry products, by-products, or refuse.".

(3) CONFORMING AMENDMENT.—Section 4041(b) (relating to tax on special motor fuels) is amended by inserting "or exempt from the tax imposed by section 4081(a) under section 4081(c)" after "subsection (a) of this section".

(c) TECHNICAL AMENDMENTS.—

(1) Paragraph (2) of section 4041(c) (relating to rate of tax) is amended to read as follows:

"(3) RATE OF TAX.—The rate of tax imposed by paragraph (2) is 3 cents a gallon."

(2) Subsection (a) of section 6412 (relating to floor stocks refunds) is amended by adding at the end thereof the following new paragraph:

"(3) EXTENSION OF TAX ON GASOLINE.—In the case of gasoline subject to the tax imposed by section 4081, paragraph (1) shall be applied—

"(A) by substituting '1985' for '1979' each place it appears, and

"(B) by substituting '1986' for '1980' each place it appears.".

(3) The Secretary of the Treasury shall expedite, to the maximum extent possible, action on the application of any person with respect to the production of ethanol for use in manufacturing gasoline described in section 4081(a)(2) or (c) of the Internal Revenue Code of 1954. Within six months after the date of enactment of this Act, the Secretary shall furnish to the Committee on Finance, United States Senate, and to the Committee on Ways and Means, United States House of Representatives, recommendations for legislation necessary to provide for changes in the provisions of chapter 51 of the Internal Revenue Code of 1954 to provide a simple, expeditious procedure for processing such applications and to simplify the regulation of such persons for purposes of such chapter consistent with adequate safeguards against the use of such applications to avoid or evade compliance with the provisions of such chapter relating to distilled spirits procured, dealt in, or used for other purposes.

(d) EFFECTIVE DATE.—The amendments made by subsection (b) shall apply with respect to sales made after December 31, 1977, and before October 1, 1985.

SEC. 1022. DENIAL OF CREDIT OR REFUND FOR NONBUSINESS NONHIGHWAY USE OF GASOLINE.

(a) IN GENERAL.—

(1) GASOLINE.—

(A) The first sentence of section 6421(a) (relating to nonhighway uses) is amended by inserting "by a person in a trade or business of that person or in an activity of that person described in section 212 (not including any such use in a motorboat)" after "if gasoline is used".

(B) The second sentence of section 6421 (a) is amended by inserting "by a person in a trade or business of that person or in an activity of that person described in section 212 (not including any such use in a motorboat)" after "in the case of gasoline used".

(2) LUBRICATING OIL.—Subsection (a) of section 6424 (relating to lubricating oil not used in highway motor vehicles), as amended by section 1026(b)(1) of this Act, is amended by inserting "by a person in a trade or business of that person or in an activity of that person described in section 212" after "is used".

(3) SPECIAL FUELS.—Subsection (a) of section 6427 (relating to fuels not used for taxable purposes) is amended by inserting "used by the purchaser in a trade or business of the purchaser or in an activity of the purchaser described in section 212" after "any fuel".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply with respect to uses after December 31, 1977.

SEC. 1023. AMENDMENT OF MOTORBOAT FUEL PROVISIONS.

(a) 2-CENT INCREASE IN TAX ON MOTORBOAT FUEL.—

(1) The second sentence of section 4041 (b) (relating to tax on special motor fuels) is amended by striking out "the tax imposed" and inserting in lieu thereof "and otherwise than as a fuel in a motorboat, the tax imposed"

(2) The third sentence of section 4041(b) is amended by striking out "a tax of 2 cents a gallon" and inserting in lieu thereof "or is used as a fuel in a motorboat, a tax of 2 cents a gallon".

(b) LAND AND WATER CONSERVATION FUND.—Paragraph (1) of section 201(b) of the Land and Water Conservation Fund Act of 1965 is amended—

(1) by striking out "1980" and inserting in lieu thereof "1978", and

(2) by striking out "1979" and inserting in lieu thereof "1977".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 1978.

Subpart B—Provisions Related to Buses

SEC. 1024. REMOVAL OF EXCISE TAX ON BUSES.

(a) GENERAL RULE.—Paragraph (6) of section 4063 (a) (relating to exemption for local transit buses) is amended to read as follows:

"(6) BUSES.—The tax imposed under section 4061(a) shall not apply in the case of any automobile bus chassis or automobile bus body."

(b) FLOOR STOCKS REFUNDS.—

(1) IN GENERAL.—Where, before the day after the date of the enactment of this Act, any tax-repealed article (as defined in subsection (e)) has been sold by the manufacturer, producer, or importer and on such day is held by a dealer and has not been used and is intended for sale, there shall be credited or refunded (without interest) to the manufacturer, producer, or importer an amount equal to the tax paid by such manufacturer, producer, or importer on his sale of the article, if—

(A) claim for such credit or refund is filed with the Secretary of the Treasury before the first day of the 10th calendar month beginning after the day after the date of the enactment of this Act based upon a request submitted to the manufacturer, producer, or importer before the first day of the 7th calendar month beginning after the day after the date of the enactment of this Act by the dealer who held the article in respect of which the credit or refund is claimed; and

(B) on or before the first day of such 10th calendar month reimbursement has been made to the dealer by the manufacturer, producer, or importer in an amount equal to the tax paid on the article or written consent has been obtained from the dealer to allowance of the credit or refund.

(2) LIMITATION ON ELIGIBILITY FOR CREDIT OR REFUND.—No manufacturer, producer, or importer shall be entitled to credit or refund under paragraph (1) unless he has in his possession such evidence of the inventories with respect to which the credit or refund is claimed as may be required by regulations prescribed by the Secretary of the Treasury under this subsection.

(3) OTHER LAWS APPLICABLE.—All provisions of law, including penalties, applicable with respect to the taxes imposed by section 4061(a) of the Internal Revenue Code of 1954 shall, insofar as applicable and not inconsistent with paragraphs (1) and (2) of this subsection, apply in respect of the credits and refunds provided for in paragraph (1) to the same extent as if the credits or refunds constituted overpayments of the tax.

(c) REFUNDS WITH RESPECT TO CERTAIN CONSUMER PURCHASES.—

(1) IN GENERAL.—Except as otherwise provided in paragraph (2), where on or after April 20, 1977, and on or before the date of the enactment of this Act, a tax-repealed article (as defined in subsection (e)) has been sold to an ultimate purchaser, there shall be credited or refunded (without interest) to the manufacturer, producer, or importer of such article an amount equal to the tax paid by such manufacturer, producer, or importer on his sale of the article.

(2) LIMITATION ON ELIGIBILITY FOR CREDIT OR REFUND.—No manufacturer, producer, or importer shall be entitled to a credit or refund under paragraph (1) with respect to an article unless—

(A) he has in his possession such evidence of the sale of the article to an ultimate purchaser, and of the reimbursement of the tax to such purchaser, as may be required by regulation prescribed by the Secretary of the Treasury under this subsection;

(B) claim for such credit or refund is filed with the Secretary of the Treasury before the first day of the 10th calendar month beginning after the day after the date of the enactment of this Act based upon information submitted to the manufacturer, producer, or importer before the first day of the 7th calendar month beginning after the day after the date of the enactment of this Act by the person who sold the article (in respect to which the credit or refund is claimed) to the ultimate purchaser; and

(C) on or before the first day of such 10th calendar month reimbursement has been made to the ultimate purchaser in an amount equal to the tax paid on the article.

(3) OTHER LAWS APPLICABLE.—All provisions of laws, including penalties, applicable with respect to the taxes imposed by section 4061 (a) of such Code shall, insofar as applicable and not inconsistent with paragraph (1) or (2) of this subsection, apply with respect to the credits and refunds provided for in paragraph (1) to the same extent as if the credits or refunds constituted overpayments of the tax.

(d) CERTAIN USES BY MANUFACTURER, ETC.—Any tax paid by reason of section 4218(a) of such Code (relating to use by manufacturer or importer considered sale) on any tax-repealed article shall be deemed an overpayment of such tax if the tax was imposed on such article by reason of such section 4218 (a) on or after April 20, 1977.

(e) DEFINITIONS.—For purposes of this section—

(1) The term "dealer" includes a wholesaler, jobber, distributor, or retailer.

(2) An article shall be considered as "held by a dealer" if title thereto has passed to such dealer (whether or not delivery to him has been made) and if, for purposes of consumption, title to such article or possession thereof has not at any time been transferred to any person other than a dealer.

(3) The term "tax-repealed article" means an article on which a tax was imposed by section 4061(a) of such Code (as in effect on the day before the date of the enactment of this Act) and which is exempted from such tax by paragraph (6) of section 4063(a) of such Code (as amended by subsection (a) of this section).

(f) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) The heading for paragraph (1) of section 6412(a) (relating to floor stocks refunds) is amended by striking out "AND BUSES".

(2) Subsection (d) of section 4222 (relatto registration in case of certain other exemptions) is amended by striking out "4063 (a) (C) or (7)" and inserting in lieu thereof "4063(a)(7)".

(g) EFFECTIVE DATE.—

(1) The amendments made by this section shall apply with respect to articles sold on or after April 20, 1977.

(2) For purposes of paragraph (1), an article shall not be considered sold before April 20, 1977, unless possession or right to possession passes to the purchaser before such day.

(3) In the case of—

(A) a lease,

(B) a contract for the sale of an article where it is provided that the price shall be paid by installments and title to the article sold does not pass until a future date notwithstanding partial payment by installments,

(C) a conditional sale, or

(D) a chattel mortgage arrangement wherein it is provided that the sale price shall be paid in installments,

entered into before April 20, 1977, payments made on or after such date with respect to the article leased or sold shall, for purposes of this subsection, be considered as payments made with respect to an article sold on or after such date, if the lessor or vendor establishes that the amount of payments payable on or after such date with respect to such article has been reduced by an amount equal to that portion of the tax applicable with respect to the lease or sale of such article which is due and payable on or after such date. If the lessor or vendor does not establish that the payments have been so reduced, they shall be treated as payments made in respect of an article sold before April 20, 1977.

SEC. 1025. REMOVAL OF EXCISE TAX ON BUS PARTS.

(a) EXEMPT SALES.—Subsection (e) of section 4221 (relating to special rules for certain tax-free sales) is amended by adding at the end thereof the following new paragraph:

"(6) BUS PARTS AND ACCESSORIES.—Under regulations prescribed by the Secretary, the tax imposed by section 4061(b) shall not apply to any part or accessory which is sold for use by the purchaser on or in connection with an automobile bus."

(b) REFUND FOR CERTAIN SALES OF BUS PARTS.—Subparagraph (I) of section 6416(b)(2) (relating to refund for specified uses and resales) is amended to read as follows:

"(I) in the case of any article taxable under section 4061(b), sold for use by the purchaser on or in connection with an automobile bus;".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to sales on or after the first day of the first calendar month beginning more than 10 days after the date of the enactment of this Act.

SEC. 1026. REMOVAL OF EXCISE TAX ON CERTAIN ITEMS USED IN CONNECTION WITH INTERCITY, LOCAL, AND SCHOOL-BUSES.

(a) TIRES, TUBES, AND TREAD RUBBER.—

(1) IN GENERAL.—Paragraph (5) of section 4221(e) (relating to schoolbuses) is amended to read as follows:

"(5) TIRES, TUBES, AND TREAD RUBBER USED ON INTERCITY, LOCAL, AND SCHOOLBUSES.—Under regulations prescribed by the Secretary—

"(A) the taxes imposed by paragraphs (1) and (3) of section 4071(a) shall not apply in the case of tires or inner tubes for tires sold for use by the purchaser on or in connection with a qualified bus, and

"(B) the tax imposed by paragraph (4) of section 4071(a) shall not apply in the case of tread rubber sold for use by the purchaser in the recapping or retreading of any tire to be used by the purchaser on or in connection with a qualified bus."

(2) QUALIFIED BUS DEFINED.—Subsection (d) of section 4221 (relating to definitions) is amended by adding at the end thereof the following new paragraph:

"(7) QUALIFIED BUS.—

"(A) IN GENERAL.—Thes term 'qualified bus' means—

"(i) an intercity or local bus, and

"(ii) a school bus.

"(B) INTERCITY OR LOCAL BUS.—The term 'intercity or local bus' means any automobile bus which is used predominantly in furnishing (for compensation) passenger land transportation available to the general public if—

"(i) such transportation is scheduled and along regular routes, or

"(ii) the passenger seating capacity of such bus is at least 20 adults (not including the driver).

"(C) SCHOOL BUS.—The term 'school bus' means any automobile bus substantially all the use of which is in transporting students and employees of schools. For purposes of the preceding sentence, the term 'school' means an educational organization which normally maintains a regular faculty and curriculum and normally has a regularly enrolled body of pupils or students in attendance at the place where its educational activities are carried on."

(3) TECHNICAL AMENDMENT.—Paragraph (2) of section 6416(b) (relating to specified uses and resales) is amended by striking out the period at the end of subparagraph (K) and inserting in lieu thereof a semicolon and by inserting after subparagraph (K) the following new subparagraphs:

"(L) in the case of any tire or inner tube taxable under paragraph (1) or (3) of section 4071(a), sold to any person for use as described in section 4221(e)(5)(A); or

"(M) in the case of tread rubber taxable under paragraph (4) of section 4071(a), used in the recapping or retreading of a tire sold to any person for use on or in connection with a qualified bus (as defined in section 4221(d)(7))."

(b) REPAYMENT OF TAX ON LUBRICATING OIL USED IN INTERCITY, LOCAL, OR SCHOOL BUSES.—

(1) IN GENERAL.—Subsection (a) of section 6424 (relating to lubricating oil not used in highway motor vehicles) is amended to read as follows:

"(a) PAYMENTS.—Except as provided in subsection (f), if lubricating oil (other than cutting oils, as defined in section 4092(b), and other than oil which has previously been used) is used—

"(1) otherwise than in a highway motor vehicle, or

"(2) in a qualified bus as defined in section 4221(d)(7)),

the Secretary shall pay (without interest) to the ultimate purchaser of such lubricating oil an amount equal to 6 cents for each gallon of lubricating oil so used."

(2) TECHNICAL AND CONFORMING AMENDMENTS.—

(A) The section heading for section 6424 is amended by striking out "NOT USED IN HIGHWAY MOTOR VEHICLES" and inserting in lieu thereof "USED FOR CERTAIN NONTAXABLE PURPOSES".

(B) The table of sections for subchapter B of chapter 65 (relating to rules of special application) is amended by striking out "not used in highway motor vehicles" in the item relating to section 6424 and inserting in lieu thereof "used for certain nontaxable purposes".

(C) Paragraph (3) of section 39(a) (relating to certain uses of gasoline, special fuels, and lubricating oil) is amended by striking out "otherwise than in a highway motor vehicle" and inserting in lieu thereof "for certain nontaxable purposes".

(D) Section 6504(9) and 6675(a) are each amended by striking out "not used in highway motor vehicles" and inserting in lieu thereof "used for certain nontaxable purposes".

(E) Paragraph (3) of section 209(f) of the Highway Revenue Act of 1956 is amended by striking out "lubricating oil not used in highway motor vehicles" and inserting in lieu thereof "lubricating oil used for certain nontaxable purposes".

(c) REPAYMENT OF TAX ON FUELS USED BY PUBLIC TRANSIT BUSES OR SCHOOL BUSES.—

(1) GASOLINE.—Subsection (b) of section 6421 (relating to local transit systems) is amended to read as follows:

"(b) INTERCITY, LOCAL, OR SCHOOL BUSES.—

"(1) ALLOWANCE.—Except as provided in paragraph (2) and subsection (i), if gasoline is used in an automobile bus while engaged in—

"(A) furnishing (for compensation) passenger land transportation available to the general public, or

"(B) the transportation of students and employees of schools (as defined in the last sentence of section 4221(d)(7)(C)),

the Secretary shall pay (without interest) to the ultimate purchaser of such gasoline an amount equal to the product of the number of gallons of gasoline so used multiplied by the rate at which tax was imposed on such gasoline by section 4081.

"(2) LIMITATION IN CASE OF NONSCHEDULED INTERCITY OR LOCAL BUSES.—Paragraph (1)(A) shall not apply in respect of gasoline used in any automobile bus which engaged in furnishing transportation which is not scheduled and not along regular routes unless the seating capacity of such bus is at least 20 adults (not including the driver)."

(2) OTHER FUELS.—Subsection (b) of section 6427 (relating to local transit systems) is amended to read as follows:

"(b) INTERCITY, LOCAL, OR SCHOOL BUSES.—

"(1) ALLOWANCE.—Except as provided in paragraph (2) and subsection (g), if any fuel on the sale of which tax was imposed by subsection (a) or (b) of section 4041 is used in an automobile bus while engaged in—

"(A) furnishing (for compensation) passenger land transportation available to the general public, or

"(B) the transportation of students and employees of schools (as defined in the last sentence of section 4221(d)(7)(C)),

the Secretary shall pay (without interest) to the ultimate purchaser of such fuel an amount equal to the product of the number of gallons of such fuel so used multiplied by the rate at which tax was imposed on such fuel by subsection (a) or (b) of section 4041.

"(2) LIMITATION IN CASE OF NONSCHEDULED INTERCITY OR LOCAL BUSES.—Paragraph (1)(A) shall not apply in respect of fuel used in any automobile bus while engaged in furnishing transportation which is not scheduled and not along regular routes unless the seating capacity of such bus is at least 20 adults (not including the driver)."

(3) TECHNICAL AMENDMENTS.—

(A) Subsection (d) of section 6421 is amended to read as follows:

"(d) GASOLINE DEFINED.—For purposes of this section, the term 'gasoline' has the meaning given to such term by section 4082(b)."

(B) Subsection (c) of section 4483 is amended by inserting "(as in effect on the day before the date of the enactment of the Energy Production and Conservation Tax Incentive Act)" after "section 6421(b)(2)".

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on the first day of the first calendar month which begins more than 10 days after the date of the enactment of this Act.

SEC. 1027. VANPOOLING INCENTIVES.

(a) FULL INVESTMENT CREDIT FOR CERTAIN VANS.—Subsection (c) of section 46 (relating to qualified investment) is amended by adding at the end thereof the following new paragraph:

"(6) SPECIAL RULE FOR CERTAIN COMMUTER VANS.—

"(A) Notwithstanding paragraph (2), in the case of a commuter van the useful life of which is not less than 3 years, the applicable percentage for purposes of paragraph (1) shall be 100 percent regardless of the useful life used in computing the allowance for depreciation.

"(B) For purposes of subparagraph (A), the term 'commuter van' means a vehicle capable of carrying nine or more passengers (including the driver) substantially all of the use of which is, at not less than half capacity, for the purpose of transporting the employees of the taxpyer to and from their place of employment.".

(b) EXCLUSION FROM GROSS INCOME OF VALUE OF CERTAIN TRANSPORTATION PROVIDED BY EMPLOYER.—

(1) IN GENERAL.—Part III of subchapter B of chapter 1 (relating to items specifically excluded from gross income) is amended by redesignating section 124 as 125, and by inserting after section 123 the following new section:

"SEC. 124. CERTAIN TRANSPORTATION FURNISHED BY EMPLOYER.

"(a) GENERAL RULE.—Gross income of an employee does not include the value of transportation furnished by an employer to and from the employee's place of employment in a commuter van (as defined in section 46(c)(6)(B)).

"(b) LIMITATION.—Subsection (a) does not apply to the value of transportation furnished under an arrangement which discriminates in favor of employees who are officers, shareholders, self-employed individuals, or highly compensated. For purposes of the preceding sentence, there shall be excluded from consideration employees not included in the arrangement who are included in a unit of employees covered by an agreement which the Secretary of Labor finds to be a collective bargaining agreement between employee representatives and one or more employers, if there is evidence that transportation of employees to and from the employees' place of employment was the subject of good faith bargaining between such employee representatives and such employer or employers. For purposes of this subsection, the term 'self-employed individual' means, and the term 'employee' includes an individual who is an employee within the meaning of section 401(c)(1) (relating to self-employed individuals). An individual who owns the entire interest in an unincorporated trade or business shall be treated as his own employer, and a partnership shall be treated as the employer of each partner who is an employee within the meaning of the preceding sentence.".

(2) CLERICAL AMENDMENT.—The table of sections for such part is amended by striking out he last item and inserting in lieu thereof the following:

"Sec. 124. Certain transportation furnished by employer.

"Sec. 125. Cross references to other Acts.".

(c) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to property acquired by the taxpayer after April 19, 1977, and before January 1, 1986, and placed in service by the taxpayer before January 1, 1986. The amendments made by subsection (b) shall apply with respect to taxable years beginning after December 31, 1977, and before January 1, 1986.

Subpart C—Credit for Electric Motor Vehicles

SEC. 1028. CREDIT FOR QUALIFIED ELECTRIC MOTOR VEHICLES.

(a) GENERAL RULE.—Subpart A of part IV of subchapter A of chapter 1 (relating to credits allowable) is amended by inserting after section 44C the following new section:

"SEC. 44D. QUALIFIED ELECTRIC MOTOR VEHICLES.

"(a) GENERAL RULE.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the cost to the taxpayer of acquiring a qualified electric motor vehicle during the taxable year, to the extent that such cost does not exceed $300.

"(b) LIMITATIONS.—

"(1) APPLICATION WITH OTHER CREDITS.—The credit allowed by subsection (a) shall not exceed the tax imposed by this chapter for the taxable year, reduced by the sum of the credits allowable under a section of this part having a lower number or letter designation than this section, other than the credits allowable by sections 31, 39, and 43.

"(2) JOINT ACQUISITION.—If any qualified electric motor vehicle is jointly acquired by 2 or more individuals—

"(A) the aggregate amount allowable as a credit under subsection (a) to such individuals with respect to such vehicle shall not exceed $300, and

"(B) the amount allowable as a credit for the taxable year shall be apportioned among such individuals on the basis of their respective shares of the cost.

"(c) QUALIFIED ELECTRIC MOTOR VEHICLE DEFINED.—For purposes of this section, the term 'qualified electric motor vehicle' means any 4-wheeled vehicle—

"(1) which is manufactured primarily for use on public streets, roads, and highways (except any vehicle operated exclusively on a rail or rails),

"(2) which is powered primarily by an electric motor drawing current from rechargeable storage batteries or other portable sources of electric current,

"(3) which is acquired by the taxpayer after April 19, 1977, for the personal use of the taxpayer or a member of his family, and

"(4) the original use of which begins with the taxpayer or a member of his family.

"(d) TERMINATION.—This section shall not apply to any qualified electric motor vehicle acquired after December 31, 1985."

(b) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) The table of sections for such subpart A is amended by inserting after the item relating to section 44C the following new item:

"Sec. 44D. Qualified electric motor vehicles."

(2) Section 6096(b) (relating to designation of income tax payment to Presidential Election Campaign Fund) is amended by striking out "and 44C" and inserting in lieu thereof "44C, and 44D".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to vehicles acquired after April 19, 1977, in taxable years ending on or after such date.

Subpart D—Intercity Bus Credit

SEC. 1029. INTERCITY BUS CREDIT.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 (relating to credits allowable) is amended by inserting after section 44D the following new section:

"SEC. 44E. INTERCITY BUS CREDIT.

"(a) GENERAL RULE.—In the case of a taxpayer which is a regulated common carrier engaged in the trade or business of furnishing regularly scheduled intercity ground transportation by motor bus, there is allowed, as a credit against the tax imposed by this chapter, an amount equal to the amount determined under subsection (b) for the taxable year.

"(b) DETERMINATION OF AMOUNT.—

"(1) IN GENERAL.—The amount of the credit allowed to a taxpayer for the taxable year under subsection (a) is 20 percent of the product of—

"(A) the number of intercity bus passenger miles of transportation furnished by the taxpayer on regularly scheduled routes for the taxable year as reported by the taxpayer to the regulatory agency (as defined in subsection (f)(1)), multipled by

"(B) the passenger mile cost differential of the taxpayer for the taxable year, multiplied by

"(C) 3.8.

"(2) PASSENGER MILE COST DIFFERENTIAL.—For purposes of this subsection, the term 'passenger mile cost differential' means the amount by which—

"(A) a fraction the numerator of which is the average price per gallon for gasoline sold in the United States during the calendar year ending with or within the taxable year and the denominator of which is the average automobile intercity passenger miles per gallon in the United States for the most recently ended calendar year for which such information is available at the end of the taxable year, exceeds

"(B) a fraction the numerator of which is the average price per gallon of diesel fuel for diesel fuel sold in the United States during the calendar year ending with or within the taxable year and the denominator of which is the number of intercity bus passenger miles of transportation of the taxpayer for the taxable year (determined under paragraph (1)(A)) divided by the number of gallons of diesel fuel used by the taxpayer for the taxable year in furnishing such transportation.

"(c) LIMITATION.—

"(1) LIMITATION BASED ON OPERATING EXPENSES.—The amount of the credit allowed under subsection (a) for the taxable year shall not exceed the amount by which—

"(A) 17.65 percent of the taxpayer's operating expenses attributable to his trade or business of furnishing transportation by motor bus for the taxable year, as reported to the regulatory agency, exceeds

"(B) 50 percent of the net operating income (if any) of the taxpayer from such trade or business for the taxable year, as reported to the regulatory agency.

"(2) LIMITATION BASED ON FLOWTHROUGH REQUIREMENTS.—No credit is allowed for the taxable year under subsection (a) if any portion of the credit is taken into account for ratemaking purposes by any agency of the United States or of any State.

"(d) RECAPTURE OF CREDIT FOR FAILURE TO MAKE CERTAIN EXPENDITURES.—

"(1) FARE REDUCTIONS.—

"(A) GENERAL RULE.—The amount of the tax imposed by this chapter for the taxable year following a taxable year for which the taxpayer claims the credit allowed by subsection (a) shall be increased by the amount by which—

"(i) 50 percent of the amount of the credit allowed by subsection (a) for the preceding taxable year exceeds

"(ii) the fare reduction amount of the taxpayer for the preceding taxable year.

"(B) FARE REDUCTION AMOUNT.—The term 'fare reduction amount' means the sum of the products of—

"(i) the number of passengers transported at a reduced fare by the taxpayer on each regularly scheduled intercity bus route for the taxable year for which a fare reduction was in effect during the taxable year, multiplied by

"(ii) the amount of the fare reduction for travel on each such route.

"(C) BASE AMOUNT.—For purposes of this paragraph, the amount of the fare reduction for travel on any bus route shall be the amount by which the lowest fare generally available to the public in effect on August 1, 1977, for travel on a route (or on such later date as regularly scheduled service commences), increased by the amount of any authorized increase in the maximum fare au-

thorized for that route approved after such date by the regulatory agency, exceeds the fare actually charged.

"(D) CARRYBACK OF FARE REDUCTION AMOUNT.—At the election of the taxpayer, made at such time and in such manner as the Secretary shall prescribe, all or any portion of the fare reduction amount of the taxpayer for the taxable year shall be a fare reduction amount carryback to the preceding taxable year, and shall be added to the fare reduction amount of the taxpayer for the preceding taxable year. If the taxpayer elects to carry all or any portion of the fare reduction amount for a taxable year back to a preceding taxable year, the amount carried back shall not be treated as a fare reduction amount for the year in which it arose (except for carryback purposes).

"(2) TERMINAL CONSTRUCTION AND IMPROVEMENT; EQUIPMENT.—

"(A) GENERAL RULE.—The tax imposed by this chapter for the taxable year following a taxable year for which the taxpayer claims the credit allowed by subsection (a) shall be increased by an amount equal to the amount by which—

"(i) 50 percent of the amount of the credit allowed under subsection (a) for the preceding taxable year, exceeds

"(ii) the sum of the taxpayer's qualifying investment in terminals and equipment for the preceding taxable year.

"(B) QUALIFYING INVESTMENT.—The term 'qualifying investment' means the sum of—

"(i) the amounts paid or incurred by the taxpayer for the taxable year for the acquisition construction of new bus terminals, or the improvement of existing bus terminals, and

"(ii) 40 percent of the amounts paid or incurred by the taxpayer for the taxable year for the acquisition of new equipment, or the improvement of existing equipment, used in connection with the taxpayer's trade or business of providing regularly scheduled intercity transportation by motor bus.

"(C) CARRYBACK OF QUALIFYING INVESTMENTS.—At the election of the taxpayer, made at such time and in such manner as the Secretary shall prescribe, the qualifying investment of the taxpayer for the taxable year shall be a qualifying investment carryback to each of the 3 preceding taxable years, and shall be added to the qualifying investment of the taxpayer for the year to which it is carried. The entire amount of the qualifying investment carryback of the taxpayer for a taxable year shall be carried to the earliest of the 3 taxable years to which it may be carried, and then to each of the succeeding 2 taxable years to which it may be carried to the extent that, when added to the qualifying investment of the taxpayer for the prior taxable year to which it may be carried, it would exceed 50 percent of the amount of the credit allowable for such prior taxable year under subsection (a).

"(e) LIMITATION ON LOSSES ATTRIBUTABLE TO BUS OPERATIONS.—In the case of a taxpayer eligible to claim the credit provided under this section, if the expenses attributable to the taxpayer's trade or business of furnishing transportation by motor bus for the taxable year exceed the revenues attributable to such trade or business for the taxable year, the deductions otherwise allowable for the taxable year shall be reduced by an amount equal to the lesser of—

"(1) the amount of which such expenses exceed such revenues, or

"(2) the amount of the credit allowed to the taxpayer under subsection (a) for the taxable year.

"(f) DEFINITIONS; SPECIAL RULES.—For purposes of this section—

"(1) REGULATORY AGENCY.—The term 'regulatory agency' means the Interstate Commerce Commission, or if the taxpayer's business is not regulated by the Interstate Commerce Commission, the appropriate State agency (as determined by the Secretary).

"(2) PASSENGER MILE COST DIFFERENTIAL FACTORS.—The Secretary, after consultation with the appropriate department or agency of the United States Government, shall determine and publish (not less frequently than annually)—

"(A) the average price per gallon for gasoline sold in the United States during the calendar year,

"(B) the average automobile intercity passenger miles per gallon in the United States for the calendar year, and

"(C) the average price per gallon of diesel fuel for diesel fuel sold in the United States during the calendar year.

"(3) RECAPTURE FOR CERTAIN DISPOSITIONS.—If the taxpayer disposes of property taken into account for purposes of subsection (d)(2) less than 60 months after the date on which such property is placed in service, then the tax imposed under this chapter for the taxable year in which the disposition occurs shall be increased by an amount equal to the amount allowed as credit with respect to such property. This paragraph does not apply to property substantially or completely destroyed by a casualty described in section 165, or compulsorily or involuntarily converted (within the meaning of section 1033).".

(b) REFUND OF EXCESS CREDIT.—

(1) Section 6401(b) (relating to excessive credits) is amended—

(A) by striking out "and 44C (relating to residential energy credit)," and inserting in lieu thereof "43 (relating to residential energy credit), and 44E (relating to intercity bus credit),", and

(B) by striking out "43, and 44C" and inserting in lieu thereof "43, 44C, and 44E".

(2) Section 6201(a)(4) (relating to erroneous credit under section 39 or 43) is amended—

(A) by striking out "section 39, 43, or 44C" in the caption and inserting in lieu thereof "section 39, 43, 44C, or 44E", and

(B) by strikng out "or section 44C (relating to residential energy credit)," and inserting in lieu thereof "section 44C (relating to residential energy credit), or section 44E (relating to intercity bus credit),".

(c) CLERICAL AMENDMENT.—The table of sections for subpart A of part IV of subchapter A of chapter 1 of such Code is amended by inserting after the item relating to section 44D the following new item:

"Sec. 44E. Intercity bus credit.".

(d) ADVANCE QUARTERLY REFUNDS.—

(1) IN GENERAL.—Subchapter (B) of chapter 65 (relating to rules of special application for abatements, credits, and refunds) is amended by adding at the end thereof the following new section:

"SEC. 6429. ADVANCE QUARTERLY REFUND OF SECTION 44E CREDIT.

"(a) GENERAL RULE.—Upon application made by a taxpayer eligible to claim the credit allowed by section 44E for the taxable year, the Secretary shall pay to the taxpayer, as a refund in advance, an amount equal to one-eighth of the taxpayer's tentative credit for the taxable year. For purposes of this subsection, the term 'tentative credit' means the amount of the credit the taxpayer expects to be allowed under section 44E for the taxable year based on the best estimates and data available to the taxpayer as of the filing date of the application.

"(b) RULES.—

"(1) APPLICATIONS.—The taxpayer shall submit a separate application for each calendar quarter for which he wishes to receive a payment under subsection (a) stating that he has begun a fare reduction program during or prior to that calendar quarter, or that he will begin such a program during that quarter. No payment shall be made under subsection (a) for any calendar quarter unless the application is filed during the 30 day period beginning 15 days before the beginning of such quarter. Each such application shall contain, or be verified by, a written declaration that the statements in the application are made under penalties of perjury and that every material matter asserted in the application is believed to be true and correct.

"(2) PAYMENTS.—

"(A) TIME OF PAYMENT.—The Secretary shall make each payment described in subsection (a) within 30 days after the date on which he receives the application for the payment.

"(B) INTEREST.—If any payment is not made within the 30-day period described in subparagraph (A), interest shall be allowed and paid on the amount of the payment from the day after the last day of such 30-day period until the date of payment at the annual rate established under section 6621.

"(c) CROSS REFERENCES.—

"For penalties applicable to fraud and false statements, see section 7206.

"For treatment of excess claims as underpayments of tax, see section 6655(b).".

(2) TECHNICAL AND CONFORMING AMENDMENTS.—

(A) OVERPAYMENT OF INSTALLMENTS.—Section 6403 (relating to overpayment of installment) is amended by inserting at the end thereof the following new sentence: "This section does not apply to amounts treated as refunds of overpayments of tax under section 6429.".

(B) UNDERPAYMENTS OF ESTIMATED TAX.—

(i) Subpargraph (B) of section 6655(e)(1) (relating to tax computed after application of credits against tax) is amended by inserting "other than the portion of the credit against tax provided by section 44E (relating to intercity bus credit) paid to the taxpayer for the taxable year under section 6429" after chapter 1".

(ii) Subsection (b) of section 6655 (relating to amount of underpayment) is amended to read as follows:

"(b) AMOUNT OF UNDERPAYMENT.—For purposes of subsection (a), the amount of underpayment shall be the sum of—

"(1) the excess of—

"(A) the amount of the installment which would be required to be paid if the estimated tax were equal to 80 percent of the tax shown on the return for the taxable year, or, if no return was filed, 80 percent of the tax for such year, over

"(B) the amount, if any, of the installment paid on or before the last date prescribed for payment, and

"(2) the amount by which the sum of the amounts paid by the Secretary to the taxpayer for the taxable year under section 6429(a) exceeds 62.5 percent of the amount of the credit allowded to the taxpayer for the taxable year under section 44E (relating to intecity bus credit).".

(3) CLERICAL AMENDMENT.—The table of sections for subchapter B of chapter 65 is amended by adding at the end thereof the following new item:

"Sec. 6429. Advance quarterly refund of section 44E credit.".

(e) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to taxable years beginning after December 31, 1977, and before January 1, 1983.

PART III—INVESTMENT CREDITS TO ENCOURAGE CONSERVATION OF, OR CONVERSION FROM, OIL AND GAS OR TO ENCOURAGE NEW ENERGY TECHNOLOGY

SEC. 1031. ADDITIONAL CREDIT FOR INVESTMENT IN CERTAIN ENERGY-RELATED DEPRECIABLE PROPERTY.

(a) ALLOWANCE OF CREDIT.—Part IV of subchapter A of chapter 1 (relating to credits against tax) is amended by inserting after section 44E the following new section:

"SEC. 44F. CERTAIN ENERGY-RELATED DEPRECIABLE PROPERTY.

"(a) GENERAL RULE.—There is allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the sum of—

"(1) 40 percent of the qualified investment (as determined under sections 46(c) and (d)) in section 38 property which is (or, for the purpose of applying section 46(d), will be) alternative energy property, and

"(2) 10 percent of the qualified investment (as so determined) in section 38 property which is (or, for the purpose of applying section 46(d), will be) specially defined energy property.

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

"(1) ALTERNATIVE ENERGY PROPERTY.—

"(A) IN GENERAL.—The term 'alternative energy property' means—

"(i) a boiler the primary fuel for which will be an alternate substance,

"(ii) a burner (including necessary on-site equipment to bring the alternate substance to the burner) for a combustor other than a boiler if the primary fuel for such burner will be an alternate substance,

"(iii) equipment used in the production of energy—

"(I) by nuclear power, but not including the fuel and not including turbines or equipment beyond the turbine stage, or

"(II) by hydroelectric power, including turbines and equipment up to (but not including) the electrical transmission stage, and not including the dam structure,

"(iv) equipment for converting an alternate substance into a synthetic liquid, gaseous, or solid fuel (except coke and its byproducts),

"(v) equipment designed to modify existing equipment which uses oil or natural gas as a fuel or as feedstock to that such equipment will use either a substance other than oil and natural gas, or oil mixed with a substance other than oil and natural gas (where such other substance will provide not less than 25 percent of the fuel or feedstock),

"(vi) equipment which uses coal (including lignite) as a feedstock for the manufacture of chemicals or other products (except coke and its byproducts),

"(vii) pollution control equipment required (by Federal, State, or local regulations) to be installed on or in connection with equipment described in clause (i), (ii), (iv), (v), or (vi),

"(viii) equipment used for the unloading, transfer, storage, reclaiming from storage, and preparation (including, but not limited to, washing, crushing, drying, and weighing) at the point of use of an alternate substance for use in equipment described in clause (i), (ii) (iii), (I), (iv), (v), (vi) or (viii),

"(ix) equipment which converts ocean thermal energy or tidal power to usable energy,

"(x) equipment, used in connection with a structure, which uses solar or wind energy to generate electricity, or to heat, cool, or provide hot water for use in such structure,

"(xi) equipment used to produce, distribute, or use energy derived from a geothermal deposit (within the meaning of section 613 (e)), but only, in the case of electricity generated by geothermal power, up to (and not including) the electrical transmission stage, and

"(xii) the basis for plans and designs for equipment described in the preceding clauses of this subparagraph.

"(B) ALTERNATE SUBSTANCE.—The term 'alternate substance' means any substance other than—

"(i) oil and natural gas, and

"(ii) any product of oil and natural gas.

"(C) SPECIAL RULE FOR CERTAIN POLLUTION CONTROL EQUIPMENT.—The term 'pollution control equipment' does not include any equipment which—

"(i) is installed on or in connection with property which, as of April 20, 1977, was using coal, and

"(ii) was required to be installed by Federal, State, or local regulations in effect on such date.

"(2) SPECIALLY DEFINED ENERGY PROPERTY.—The term 'specially defined energy property' means—

"(A) a recuperator,

"(B) a heat wheel,

"(C) a regenerator,

"(D) a heat exchanger,

"(E) a waste heat boiler,

"(F) a heat pipe,

"(G) an automatic energy control system,

"(H) a turbulator,

"(I) a preheater,

"(J) a compustible gas recovery system,

"(K) an economizer,

"(L) an industrial heat pump, or

"(M) any other property of a kind specified by the Secretary by regulations,

the principal purpose of which is reducing the amount of energy consumed, or the amount of heat wasted, in any existing operation and which is installed in connection with an existing industrial, agricultural, utility, or commercial facility.

"(3) GENERAL REQUIREMENTS.—No item shall be treated as alternative energy property or specially defined energy property unless—

"(A) the original use of the property commences with the taxpayer, and

"(B) the property is an integral part of, or used in connection with, a building or other structure located in the United States.

"(4) EXISTING.—For purposes of this subsection, the term 'existing' means—

"(A) when used in connection with a building or facility—

"(i) except as provided in clause (ii), 50 percent or more of the basis of such building or facility is attributable to construction, reconstruction, or erection before April 20, 1977, or

"(ii) which is a nuclear powerplant, a construction permit was issued and construction began before April 20, 1977,

"(B) when used in connection with an operation, such operation was carried on in the building or facility as of April 20, 1977, or

"(C) or when used in connection with equipment or a motor vehicle, such equipment or motor vehicle was placed in service before April 20, 1977.

"(5) EQUIPMENT MUST MEET CERTAIN STANDARDS OF QUALITY UNDER PARAGRAPHS (1) AND (2).—Equipment qualifies under paragraph (1) or (2) only if it meets the performance and quality standards (if any) which—

"(A) have been prescribed by the Secretary by regulations (after consultation with the Secretary of Energy), and

"(B) are in effect at the time of acquisition of property.

"(c) UTILITY ALLOWED CREDIT FOR NEW BOILER ONLY TO EXTENT OIL OR GAS BOILER IS PHASED DOWN.—

"(1) IN GENERAL.—In the case of a regulated public utility (as defined in section 7701 (a)(33)) the principal activity of which is the production of electricity, a boiler (hereinafter in this subsection referred to as 'new boiler') shall be treated as alternative energy property—

"(A) only if the taxpayer establishes such facts as the Secretary may by regulations prescribe with respect to the phasing-down of a boiler (hereinafter in this subsection referred to as 'old boiler') which, as of April 20, 1977, used as its primary fuel oil or natural gas, and

"(B) only to the extent that there will be (not later than the calendar year following the year in which the new boiler is placed in service, hereinafter in this subsection referred to as the 'credit year') a phasing-down of the old boiler.

"(2) PHASING DOWN.—For purposes of paragraph (1), the old boiler is phased down if (and only if)—

"(A) during 1976 it was used for more than 2,000 hours, and

"(B) during each calendar year after the credit year, the old boiler will be used for 2,000 hours or less.

"(3) RECAPTURE FOR USE IN EXCESS OF 2,000 HOURS.—If for any calendar year after the credit year the old boiler is used for more than 2,000 hours, for purposes of applying section 47 to the credit allowed by this section, the new boiler shall be treated as disposed of at the close of the year in which it is so used. For purposes of this paragraph, use of the old boiler shall be disregarded during any period for which the taxpayer is prevented from using the new boiler due to—

"(A) fire, storm, flood, or other casualty, or

"(B) a labor dispute (including a dispute which prevents or significantly reduces delivery of coal to the new boiler).

"(4) ADVANCE CERTIFICATION.—For purposes of this subsection, if the taxpayer—

"(A) certifies to the Secretary—

"(i) that the old boiler will be replaced or phased down beginning with the calendar year following the credit year, and

"(ii) that the new boiler will be placed in service not later than 3 years after the first calendar year for which the certification is effective, and

"(B) agrees to an extension of the period for assessing any deficiency of the tax imposed by this chapter, to the extent such deficiency is attributable to the fact that such certification proves to be erroneous,

then, for purposes of paragraph (1) (but not for purposes of paragraph (2) or (3)), the phasing down shall be treated as occurring on the date as of which the certification is effective.

"(5) CERTAIN BOILERS TREATED AS PHASED DOWN.—If—

"(A) physical construction of a facility began before April 20, 1977,

"(B) as of April 20, 1977, such facility included (or it was contemplated that such facility would include) a boiler the primary fuel of which would be oil or natural gas, and

"(C) after April 20, 1977, the construction of such boiler is modified so it will use an alternate substance,

then, notwithstanding paragraph (1) such boiler shall be treated as alternative energy property.

"(6) BOILER DEFINED.—For purposes of this subsection, the term 'boiler' includes equipment described in clause (vii) or (viii) of subparagraph (A) of paragraph (1) of subsection (b) (or plans or designs described in clause (xii) of subparagraph (A) of such paragraph (1)), properly allocable to the boiler.

"(d) SPECIAL RULES.—

"(1) APPLICATION OF INVESTMENT CREDIT RULES.—

"(A) CREDIT IN ADDITION TO SECTION 38 CREDIT.—The credit allowed by this section is in addition to any amount allowed as a credit under section 38 with respect to alternative energy property or specially defined energy property.

"(B) CERTAIN SUBPART B RULES TO APPLY.—

"(i) Except as otherwise provided in this section, the provisions of sections 47 and 48 are hereby made applicable, under regulations prescribed by the Secretary, to the credit allowed by this section, except that the rules contained in section 48(a)(3) (relating to property used for lodging) shall be disregarded, and the words 'its structural components' contained in section 48(a)(1)(B) shall be disregarded.

"(ii) For purposes of determining the amount of the taxpayer's qualified investment, the applicable percentage (for purposes of section 46(c)(1)) shall be 100 percent for all items without regard to the useful life of any particular item.

"(iii) For purposes of applying section 47, if alternative energy property or specially defined energy property is disposed of or converted into property which is not alternative energy property or specially defined energy property, and if such disposition or conversion occurs before it has been in service for half its useful life, the disposition or conversion shall be treated as having occurred before the close of the third year after the property was placed in service.

"(vi) No credit shall be allowed under this section for property which is public utility property (within the meaning of section 46(f)(5)) unless requirements prescribed by the Secretary similar to the requirements of section 46(f) are met.

"(v) In the case of a taxpayer which is not a corporation, the credit allowed by subsection (a) shall be allowed with respect to property of which such person is the lessor under the rules applicable to the credit allowed by section 38 set forth in section 46(e)(3) (but without regard to the limitations of section 48(a) (4) and (5)).

"(vi) In the case of a taxpayer which is the lessor of a new boiler (within the meaning of subsection (c)), any act or failure to act by the regulated public utility which is the lessee of the boiler shall cause the provisions of that subsection to be enforced against the lessor as if the lessor were the lessee.

"(2) PROPERTY FINANCED BY PUBLIC FUNDS.—Any investment in alternative energy property or specially defined energy property shall be reduced to the extent that such investment is made, directly or indirectly, with funds provided for the acquisition or modification of such property by grant paid by any agency of the United States.

"(3) PROPERTY FINANCED BY INDUSTRIAL DEVELOPMENT BONDS.—In the case of property (other than bioconversion property described in section 103(b)(4)(i)) which is financed in whole or in part by the proceeds of an industrial development bond (within the meaning of section 103(b)(2)) the interest on which is exempt from tax under section 103, '20 percent' shall be substituted for '40 percent', and '5 percent' shall be substituted for '10 percent', in subsection (a).".

(b) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) The table of sections for such subpart A is amended by inserting after the item relating to section 44E the following new item:

"Sec. 44F. Certain energy-related depreciable property.".

(2) Paragraph (8) of section 46(f) is amended by striking out "the Tax Reform Act of 1976" and inserting in lieu thereof "the Tax Reform Act of 1976 and the Energy Production and Conservation Tax Incentive Act".

(3) Section 6096(b) (relating to designation of income tax payment to Presidential Election Campaign Fund) is amended by striking out "and 44E" and inserting in lieu thereof "44E, and 44F".

(c) REFUND OF EXCESS CREDIT ATTRIBUTABLE TO ENERGY PROPERTY.—Section 6401(b) (relating to amounts treated as overpayments) is amended—

(1) by striking out "and 44E (relating to intercity bus credit)," and inserting in lieu thereof "44E (relating to intercity bus credit), and 44F (relating to certain energy-related depreciable property),", and

(2) by striking out "and 44E" and insert- in lieu thereof "44E, and 44F".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to—

(1) property to which section 46(d) of the Internal Revenue Code of 1954 does not apply, the construction, reconstruction, or erection of which is completed by the taxpayer after April 19, 1977, but only to the extent of the basis thereof attributable to the construction, reconstruction, or erection after such date and before January 1, 1986,

(2) property to which section 46(d) of such Code does not apply, acquired by the taxpayer after April 19, 1977, and before January 1, 1986, and placed in service by the taxpayer before January 1, 1986, and

(3) property to which section 46(d) of such Code applies, but only to the extent of the qualified investment (as determined under subsections (c) and (d) of section 46 of such Code) with respect to qualified progress expenditures made after April 19, 1977, and before January 1, 1986.

SEC. 1032. ADDITIONAL PERCENTAGE FOR INVESTMENT CREDIT WITH RESPECT TO CERTAIN ENERGY PROPERTY.

(a) IN GENERAL.—Subpart B of part IV of subchapter A of chapter 1 (relating to credits allowable is amended by inserting immediately after section 46 the following new section:

"SEC. 46A. SPECIAL RULES RELATING TO CERTAIN ENERGY PROPERTY.

"(a) IN GENERAL.—In addition to the amount which is determined under section 46(a)(2), the amount of the credit allowed by section 38 for the taxable year determined under section 46(a)(1)(B) with respect to energy property shall include an amount equal to 10 percent of the qualified investment (as determined under section 46(c) and (d)) in section 38 property which is (or, for the purpose of applying section 46(d), will be) energy property.

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

"(1) ENERGY PROPERTY.—The term 'energy property' means property—

"(A) which is—

"(i) cogeneration equipment installed in connection with an existing facility, but only to the extent that the cogeneration energy capacity of such facility is expanded,

"(ii) recycling equipment,

"(iii) shale oil equipment, or

"(iv) geopressurized methane gas equipment

"(B) which is an integral part of, or used in connection with, a building or other structure located in the United States,

"(C)(i) the construction, reconstruction, or erection of which is completed by the taxpayer after April 19, 1977, or

"(ii) which is acquired after April 19, 1977, if the original use of such property commences with the taxpayer and commences after such date, and

"(D) which has a useful life of 3 years or more.

"(2) Certain transportation equipment treated as energy property.—A commuter van (as defined in section 46(c)(6)(B)), and equipment designed to reduce energy consumption added to existing motor vehicles primarily engaged in the commercial transportation of property, shall be treated as energy property.

"(3) Cogeneration equipment.—The term 'cogeneration equipment' means equipment which—

"(A) produces steam, heat, or other forms of useful energy (other than electric energy) to be used for industrial, agricultural, commercial, or space heating purposes, and

"(B) also produces electric energy.

"(4) Recycling equipment.—The term 'recycling equipment means any equipment which is used exclusively in the recycling of solid waste (including not more than a nominal amount of virgin materials) or to sort and prepare such solid waste for recycling, and any equipment used in the conversion of solid waste into a fuel or into useful energy such steam, electricity, or hot water.

"(5) Shale oil equipment.—The term 'shale oil equipment' means equipment which is used to extract oil from oil-bearing shale rock.

"(6) Geopressurized methane gas equipment.—The term 'geopressurized methane gas equipment' means equipment which is used to extract geopressurized methane gas (as defined in section 44G(d)(1).

"(7) Existing.—The term 'existing' has the same meaning as in paragraph (4) of section 44F(b).

"(8) Equipment must meet certain standards of quality.—Equipment qualifies paragraph (1)(A) (i) or (ii) or paragraph (2) only if it meets the performance and quality standards (if any)—

"(A) have been prescribed by the Secretary by regulations (after consultation with the Secretary of Energy), and

"(B) are in effect at the time of acquisition of the property.

"(9) Special rule for property financed by industrial development bonds.—In the case of property which is financed in whole or in part by the proceeds of an industrial development bond (within the meaning of section 103(b)(2)) the interest on which is exempt from tax under section 103, '5 percent' shall be substituted for '10 percent' in subsection (a).

"(c) SPECIAL RULES.—

"(1) CERTAIN SECTION 48 RULES WAIVED.—For purposes of this section, the rules contained in section 48(a)(3) (relating to property used for lodging) shall be disregarded, and the words 'its structural components' contained in section 48(a)(1)(B) shall be disregarded.

"(2) APPLICATION WITH SECTION 44F.—Property described in section 44F shall not be treated as property described in this section.

"(3) QUALIFIED INVESTMENT.—For the purpose of determining the taxpayer's qualified investment, the applicable percentage (for purposes of section 46(c)(1)) shall be 100 percent (without regard to the actual useful life of the item).

"(4) RECAPTURE RULES.—For the purpose of applying section 47 to energy property, a disposition of such property, or the conversion of such property into property which is not energy property, which occurs before the property has been in service for half its useful life shall be treated as having occurred before the close of the third year after the property was placed in service.

(b) ALLOWANCE OF REGULAR PERCENTAGE FOR BUSINESS INSULATION PROPERTY.—Subsection (a) of section 48 (defining section 38 property) is amended by adding at the end thereof the following new paragraph:

"(10) BUSINESS INSULATION PROPERTY.—For the period beginning on April 20, 1977, and ending on December 31, 1985, insulation shall be treated as meeting the requirements of paragraph (1) and paragraph (3) shall not apply to insulation. For purposes of the preceding sentence, the term 'insulation' means any item—

"(A) which is specifically and primarily designed to reduce when installed in or on an existing industrial or commercial building or existing industrial or commercial facility the heat loss or gain of such building or facility,

"(B) the original use of which begins with the taxpayer,

"(C) which can reasonably be expected to remain in operation for at least 3 years,

"(D) which meets the performance and quality standards which—

"(i) have been prescribed by the Secretary by regulations (after consultation with the Secretary of Energy), and

"(ii) are in effect at the time of the acquisition of the item, and

"(E) would not, but for this paragraph, be section 38 property.

For purposes of this paragraph, a building or facility will be treated as existing if it was placed in service before April 20, 1977.".

(c) CLERICAL AMENDMENT.—The table of sections for subpart A of part IV of subchapter A of chapter 1 is amended by inserting immediately after the item relating to section 46 the following new item:

"Sec. 46A. Special rules relating to certain energy property.".

(d) EFFECTIVE DATES.—The amendments made by this section shall apply to—

(1) property to which section 46(d) of the Internal Revenue Code of 1954 does not apply, the construction, reconstruction, or erection of which is completed by the taxpayer after April 19, 1977, but only to the extent of the basis thereof attributable to the construction, reconstruction, or erection after such date and before January 1, 1986,

(2) property to which section 46(d) of such Code does not apply, acquired by the taxpayer after April 19, 1977, and before January 1, 1986, and placed in service by the taxpayer before January 1, 1986, and

(3) property to which section 46(d) of such Code applies, but only to the extent of the qualified investment (as determined under subsections (c) and (d) of section 46 of such Code) with respect to qualified progress expenditures made after April 19, 1977, and before January 1, 1986.

SEC. 1033. PAYMENT IN LIEU OF CREDIT TO TAX EXEMPT ORGANIZATIONS.

(a) IN GENERAL.—In the case of a State or any political subdivision thereof, and in the case of any organization described in section 501(c)(3) of the Internal Revenue Code of 1954, or any electric utility cooperative described in section 501(c)(12), which is exempt from tax under section 501 (a) of such Code for the taxable year, the Secretary of the Treasury shall pay to each such government, subdivision, or organization which files a claim during the calendar year in the form, manner, and at the time prescribed by the Secretary by regulations, an amount determined under subsection (b). Such payment shall be made as soon as possible after the receipt of such claim.

(b) AMOUNT OF PAYMENT.—The amount payable to a State, subdivision, or organization (hereinafter referred to as a "tax exempt entity") under subsection (a) for the calendar year shall be equal to the amount of credit which such tax exempt entity would, if it were liable for tax under chapter 1 of such Code, be allowed under section 44F of such Code with respect to its investment in alternative energy property and specially defined energy property and if such property were used in a trade or business.

(c) REPAYMENT.—If an entity which receives a payment under subsection (a) takes any action which would result in an increase of its tax under subpart B of part IV of subchapter A of chapter 1 of such Code if such entity were liable for tax under this chapter, then such entity shall be liable to the Secretary for an amount equal to the increased amount of tax which would be imposed under such subpart and such amount shall be collected as if it were the underpayment of a tax imposed under such chapter 1.

(d) TREATMENT AS OVERPAYMENT OF TAX.—For purposes of any law of the United States, including section 101 of the Treasury Department Appropriation Act of 1950 and title I of the Supplemental Treasury and Post Office Departments Appropriation Act, 1949, any payment made under this section shall be considered to be a refund of any overpayment of the tax imposed under chapter 1 of the Internal Code of 1954.

PART IV—INCENTIVES RELATING TO ALTERNATIVE FUEL SOURCES

SEC. 1041. USE OF INDUSTRIAL DEVELOPMENT BONDS FOR COAL GASIFICATION AND LIQUEFACTION AND BIOCONVERSION FACILITIES.

(a) IN GENERAL.—Paragraph (4) of section 103(b) (relating to industrial development bonds) is amended—

(1) by striking out "or" at the end of subparagraph (F),

(2) by striking out the period at the end of subparagraph (G) and inserting in lieu thereof a comma, and

(3) by adding at the end thereof the following new subparagraphs:

"(H) coal gasification and liquefaction facilities for the production of any synthetic gaseous or liquid fuel, or

"(I) bioconversion facilities for the conversion of municipal and agricultural waters and other organic matter into energy or into synthetic gaseous, liquid, or solid fuels.".

(b) DEFINITION.—Section 103 (relating to interest on certain governmental obligations) is amended by redesignating subsection (f) as subsection (g) and by inserting immediately after subsection (e) the following new subsection:

"(f) COAL GASIFICATION AND LIQUEFACTION FACILITIES.—The facilities referred to in section (b)(4)(H) shall include—

"(1) facilities that directly perform the coal gasification or liquefaction process,

"(2) facilities for the on-site transportation, handling, storage, or treatment of coal, other raw materials, supplies, or any other materials in any preparatory process for the coal gasification or liquefaction process,

"(3) facilities for the on-site economic recovery, recycling, handling, storage, treatment, or utilization of byproduct materials or energy generated by the coal gasification or liquefaction process,

"(4) facilities for the on-site handling or transportation, or the increasing of the British thermal unit content per unit of volume, of synthetic gaseous or liquid fuels produced by the coal gasification or liquefaction process, and

"(5) other on-site facilities to the extent that such facilities are functionally related, and subordinate to, any facilities described in paragraphs (1) through (4).

For purposes of this section, the term 'synthetic gaseous or liquid fuels' means any gaseous or liquid product of a coal gasification or liquefaction process which can be used as a substitute for natural gas or oil regardless of its chemical composition or British thermal unit content.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to obligations issued after December 31, 1977.

SEC. 1042. PERCENTAGE DEPLETION FOR PEAT, GEOTHERMAL DEPOSITS, AND GEOPRESSURIZED METHANE GAS.

(a) PEAT.—Section 613(b) (relating to percentage depletion rates) is amended—

(1) by inserting "peat (from deposits in the United States but only if used as a fuel or otherwise used to produce energy)," after "sodium chloride," in paragraph (4) thereof, and

(2) by inserting "(if paragraph (4) does not apply)" after "peat" in paragraph (6) thereof.

(b) GEOTHERMAL DEPOSITS AND GEOPRESSURIZED METHANE GAS.—

(1) APPLICABLE PERCENTAGE.—Section 613 (b) (relating to percentage depletion rates) is amended by inserting after paragraph (7) the following new paragraph:

"(8) In the case of geothermal deposits located in the United States or in a possession of the United States, the percentages set forth in section 613A(c)(5) for calender years shall apply to taxable years beginning in such calendar years, except that 10 percent shall be the applicable percentage for geopressurized methane gas (as defined in section 44G(d)(1)) extracted from brines withdrawn from such deposits."

(2) DEFINITION.—Section 613 (relating to percentage depletion) is amended by adding at the end thereof the following new subsection:

"(e) GEOTHERMAL DEPOSITS.—For purposes of this section, the term 'geothermal deposit' means a geothermal reservoir consisting of natural heat which is stored in rocks or in an aqueous liquid or vapor (whether or not under pressure). Such a deposit shall in no case be treated as a gas well for purposes of this section or section 613A, and this section shall not apply to a geothermal deposit which is located outside the United States and its possessions."

(3) TECHNICAL AMENDMENTS.—

(A) Paragraph (1) of section 613(c) (defining gross income from the property) is amended by inserting "and other than a geopressurized methane gas well or a geothermal deposit" after "oil or gas well".

(B) Paragraph (1) of section 613(b) is amended—

(i) by inserting "and" at the end of subparagraph (A),

(ii) by striking out "and" at the end of subparagraph (B), and

(iii) by striking out subparagraph (C).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending after December 31, 1977.

SEC. 1043. OPTION TO DEDUCT INTANGIBLE DRILLING COSTS IN THE CASE OF GEOTHERMAL DEPOSITS AND GEOPRESSURIZED METHANE GAS; CERTAIN GEOLOGICAL AND GEOPHYSICAL COSTS.

(a) IN GENERAL.—Subsection (c) of section 263 (relating to intangible drilling and development costs in the case of oil and gas wells) is amended—

(1) by adding at the end thereof the following new sentence: "Such regulations shall also grant the option to deduct as expenses intangible drilling and development costs in the case of wells drilled in the United States (within the meaning of paragraph (1) of section 638), or any possession thereof, for any geothermal deposit (as defined in section 613(e)) or for any geopressurized methane gas (as defined in section 44G(d)(1)) to the same extent and in the manner as such expenses are deductible in the case of oil and gas wells.", and

(2) by amending the subsection heading to read as follows:

"(c) INTANGIBLE DRILLING AND DEVELOPMENT COSTS IN THE CASE OF OIL AND GAS WELLS AND GEOTHERMAL AND GEOPRESSURIZED METHANE GAS WELLS.—".

(b) GEOLOGICAL AND GEOPHYSICAL COSTS IN CONNECTION WITH GEOPRESSURIZED METHANE GAS.—Section 617 (relating to deduction and recapture of certain mining exploration expenditures) is amended by adding at the end thereof the following new subsection:

"(j) COSTS IN CONNECTION WITH GEOPRESSURIZED METHANE GAS.—Notwithstanding the provisions of the last sentence of paragraph (1) of subsection (a), the provisions of this section, in accordance with regulations prescribed by the Secretary, shall apply with respect to expenditures for the purpose of ascertaining the existence, location, or extent of geopressurized methane gas (as defined in section 44G(d)(1)).".

(c) MINIMUM TAX ON INTANGIBLE DRILLING COSTS IN THE CASE OF GEOTHERMAL AND GEOPRESSURIZED METHANE GAS WELLS.—

(1) Paragraph (11) of section 57(a) (relating to intangible drilling costs) is amended by striking out "oil and gas properties" each place it appears (including in the heading of subparagraph (C)) and inserting in lieu thereof "oil, gas, geopressurized methane gas, and geothermal properties".

(2) Clause (i) of section 57(a)(11)(B) is amended by striking out "oil and gas wells" and inserting in lieu thereof "oil, gas, geopressurized methane gas, and geothermal wells".

(3) Paragraph (11) of section 57(a) is amended by adding at the end thereof the following new subparagraph:

"(D) PARAGRAPH APPLIED SEPARATELY WITH RESPECT TO GEOTHERMAL PROPERTIES, GEOPRESSURIZED METHANE GAS PROPERTIES, AND OIL AND GAS PROPERTIES.—This paragraph shall be applied separately with respect to—

"(i) all oil and gas properties which are not described in clause (ii) or (iii),

"(ii) all properties which are geothermal deposits (as defined in section 613(e)), and

"(iii) all geopressurized methane gas properties.".

(4) Section 614 (relating to the definition of property) is amended by inserting "or geothermal and geopressurized methane gas wells" after "oil and gas wells" each place it appears.

(d) GAIN FROM DISPOSITION OF INTERESTS IN GEOTHERMAL OR GEOPRESSURIZED METHANE GAS WELLS.—

(1) Paragraphs (1) and (2) of section 1254(a) (relating to gain from disposition of interest in oil or gas property) are each amended by striking out "oil or gas property" each place it appears and inserting in lieu thereof "oil, gas, geopressurized methane gas, or geothermal property".

(2) Paragraph (3) of section 1254(a) (defining oil or gas property) is amended to read as follows:

"(3) OIL, GAS, GEOPRESSURIZED METHANE GAS, OR GEOTHERMAL PROPERTY.—The term 'oil, gas, geopressurized methane gas, or geothermal property' means any property (within the meaning of section 614) with respect to which any expenditures described in paragraph (1)(A) are properly chargeable.".

(3) The section heading of section 1254 is amended by striking out "OIL OR GAS" and inserting in lieu thereof "OIL, GAS, GEOPRESSURIZED METHANE GAS, OR GEOTHERMAL".

(4) The table of sections for part IV of subchapter P of chapter 1 is amended by striking out "oil or gas" in the item relating to section 1254 and inserting in lieu thereof "oil, gas, geopressurized methane gas, or geothermal".

(5) Subsection (c) of section 751 (relating to unrealized receivables) is amended by striking out "oil and gas property" and inserting in lieu thereof "oil, gas, geopressurized methane gas, or geothermal property".

(e) APPLICATION OF AT RISK RULES TO GEOTHERMAL DEPOSITS AND GEOPRESSURIZED METHANE GAS.—

(1) Paragraph (1) of section 465(c) (defining activities to which at risk rules apply) is amended by striking out "or" at the end of subparagraph (C) and by inserting after subparagraph (D) the following new subparagraphs:

"(E) exploring for, or exploiting, geothermal deposits (as defined in section 613(e)), or

"(F) exploring for, or exploiting, geopressurized methane gas (as defined in section 44G(d)(1))".

(2) Paragraph (2) of section 465(c) is amended by striking out "or" at the end of subparagraph (C) and by inserting after subparagraph (D) the following new subparagraphs:

"(E) geothermal property (as determined under section 614), or

"(F) geopressurized methane gas property (as determined under section 614),".

(f) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply with respect to wells commenced on or after April 20, 1977, in taxable years ending on or after such date.

(2) ELECTION.—The taxpayer may elect to capitalize or deduct any costs to which section 263(c) of the Internal Revenue Code of 1954 applies by reason of the amendments made by this section. Any such election shall be made before the expiration of the time for filing claim for credit or refund of any overpayment of tax imposed by chapter 1 of such Code with respect to the taxpayer's first taxable year to which the amendments made by this section apply and for which he pays or incurs costs to which such section 263(c) applies by reason of the amendments made by this section. Any election under this paragraph may be changed or revoked at any time before the expiration of the time referred to in the preceding sentence, but after the expiration of such time such election may not be changed or revoked.

SEC. 1044. TAX CREDIT FOR PRODUCTION OF OIL AND GAS FROM NONCONVENTIONAL SOURCES.

(a) IN GENERAL.—Part IV of subchapter A of chapter 1 (relating to credits against tax) is amended by inserting immediately after section 44F the following new section:

"SEC. 44G. CREDIT FOR PRODUCTION OF OIL AND GAS FROM NONCONVENTIONAL SOURCES.

"(a) GENERAL RULE.—There shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount determined under subsection (b).

"(b) AMOUNT.—The amount of the credit allowed under subsection (a) shall be equal to the sum of—

"(1) $3 multiplied by the number of barrels of shale oil produced during the taxable year from all oil shale property the taxpayer has an interest in to the extent such production is attributable to the taxpayer, and

"(2) 50 cents multiplied by the sum of the number of thousand cubic feet of—

"(A) geopressurized methane gas produced during the taxable year from all geopressurized methane gas property (within the meaning of section 614) the taxpayer has an interest in, and

"(B) gas produced during the taxable year from all tight rock formation property the taxpayer has an interest in,

to the extent that such production is attributable to the taxpayer.

"(c) PRODUCTION ATTRIBUTABLE TO THE TAXPAYER.—For purposes of subsection (b), the production attributable to the taxpayer for oil or gas produced from any property during a taxable year shall be equal to the amount which bears the same ratio to the total production of oil or gas from the property during the year as the amount of the taxpayer's gross income from the property for the taxable year under section 613(a) on account of such production bears to the aggregate gross income from the property for the year (within the meaning of section 613(a)) of all parties having an interest in such property.

"(d) DEFINITIONS OF SPECIAL RULES.—

"(1) OIL SHALE, ETC.—The terms 'oil shale', 'geopressurized methane gas', and 'tight rock formations' include such shale, gas, and formations as are included within a standard scientific definition of each such term established by the Secretary by regulation after consultation with the Secretary of Energy.

"(2) OIL SHALE AND TIGHT ROCK FORMATION PROPERTY.—The terms 'oil shale property' and 'tight rock formation property' include any property (within the meaning of section 614) with respect to which the taxpayer is claiming the credit allowed under subsection (a).

"(3) PRODUCTION WITHIN THE UNITED STATES.—The credit allowed under subsection (a) shall apply only with respect to oil and gas which is produced from a property located in, or offshore of the United States (within the meaning of paragraph (1) of section 638) or in, or offshore of, a possession of the United States.

"(4) BARREL; FRACTIONS.—

"(A) DEFINED.—The term 'barrel' means 42 United States gallons.

"(B) FRACTIONS.—In determining the amount of the credit under subsection (b) in the case of a fraction of a barrel or a fraction of a thousand cubic feet, the amount shall be the like fraction of the amount allowed with respect to a whole barrel or thousand cubic feet.

"(e) APPLICATION WITH OTHER CREDITS.—The credit allowed by subsection (a) shall not exceed the tax imposed by this chapter for the taxable year, reduced by the sum of credits allowable under a section of this part having a lower number or letter designation than this section, other than the credits allowable by sections 31, 39, 43, 44C, 44E, and 44F.

"(f) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the provisions of this section.".

(b) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) The table of sections for such subpart A is amended by inserting after the item relating to section 44F the following new item:

"Sec. 44G. Credit for production of oil and gas from nonconventional sources."

(2) Section 6096(b) (relating to designation of income tax payment to Presidential Election Campaign Fund) is amended by striking out "and 44F" and inserting in lieu thereof "44F, and 44G".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply wtih respect to taxable years beginning after December 31, 1977, and before January 1, 1986.

PART V—MISCELLANEOUS PROVISIONS

SEC. 1051. TREATMENT OF INTANGIBLE DRILLING COSTS FOR PURPOSES OF THE MINIMUM TAX.

Subsection (b) of section 308 of the Tax Reduction and Simplification Act of 1977 is amended by striking out ", and before January 1, 1978".

SEC. 1052. REREFINED LUBRICATING OIL.

(a) IN GENERAL.—Section 4093 (relating to exemption of sales to producers) is amended to read as follows:

"SEC. 4093. EXEMPTIONS.

"(a) SALES TO MANUFACTURERS OR PRODUCERS FOR RESALE.—Under regulations prescribed by the Secretary, no tax shall be imposed by section 4091 on lubricating oils sold to a manufacturer or producer of lubricating oils for resale by him.

"(b) USE IN PRODUCING REREFINED OIL.—

"(1) SALES TO REREFINERS.—Under regulations prescribed by the Secretary, no tax shall be imposed by section 4091 on lubricating oil sold for use in mixing with used or waste lubricating oil which has been cleaned, renovated, or rerefined. Any person to whom lubricating oil is sold tax-free under this paragraph shall be treated as the producer of such lubricating oil.

"(2) USE IN PRODUCING REREFINED OIL.—Under regulations prescribed by the Secretary, no tax shall be imposed by section 4091 on lubricating oil used in producing re-

refined oil to the extent that the amount of such lubricating oil does not exceed 55 percent of such rerefined oil.

"(3) REREFINED OIL DEFINED.—For purposes of this subsection, the term 'rerefined oil' means oil 25 percent or more of which is used or waste lubricating oil which has been cleaned, renovated, or rerefined."

(b) CONFORMING AMENDMENT.—Section 4092(a) is amended by striking out "4093" and inserting in lieu thereof "4093(a)".

(c) CLERICAL AMENDMENT.—The table of sections for subpart B of part III of subchapter A of chapter 32 is amended by striking out the item relating to section 4093 and inserting in lieu thereof the following:

"Sec. 4093. Exemptions.".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to sales on or after the first day of the first calendar month beginning more than 10 days after the date of the enactment of this Act.

SEC. 1053. ANNUAL REPORT ON ENERGY AND REVENUE EFFECTS OF THIS TITLE.

During August of each calendar year beginning after 1977, the President shall submit a report to the Congress which shall contain the following information:

(1) The amount of the increases or decreases in the revenues received in the Treasury during periods before the submission of such report resulting from each of the provisions of this title.

(2) An evaluation of the extent to which each of the provisions of this title resulted in increased energy conservation and production.

(3) Such other information as the President may determine to be relevant for an evaluation of the provisions of this title.

SEC. 1054. ADDITIONAL INCENTIVES FOR THE PRODUCTION AND CONSERVATION OF ENERGY AND FOR CONVERSION TO ALTERNATIVE ENERGY SOURCES, AND MECHANISMS FOR DEALING WITH ENERGY-RELATED PROBLEMS.

(a) IN GENERAL.—Notwithstanding any other provision of this Act or of the Internal Revenue Code of 1954 added by title II of this Act, no tax shall be imposed under any provision of such Code added by this Act unless this Act also contains or provides tax incentives and other economic incentives for increased production and conservation of energy and for conversion to alternative sources of energy, and mechanisms for avoiding or mitigating adverse and undesirable consequences arising out of the energy crisis. It is the sense of the Senate that the inclusion of any such incentives or mechanisms in any conference report reconciling the differences between the two Houess with respect to this bill shall not be subject to any point of order under the Standing Rules of the Senate relating to conference reports, whether or not any particular incentive or mechanism appears in the House bill or the Senate amendments to this bill.

(b) ESTABLISHMENT OF ENERGY PRODUCTION, CONSERVATION, AND CONVERSION TRUST FUND.—

(1) CREATION OF TRUST FUND.—There is established in the Treasury of the United States a trust fund to be known as the "Energy Production, Conservation, and Conversion Trust Fund" (hereinafter in this title referred to as the "Trust Fund"), consisting of such amounts as may be appropriated or credited to the Trust Fund as provided in this section.

(2) ESTABLISHMENT OF SEPARATE ACCOUNTS.—There are hereby established within the Trust Fund the Energy Financing Program Account and the Energy-Efficient Transit Account, each of which shall be separately managed and administered as if each such account constituted a separate trust fund. Of each amount transferred to the Trust Fund under subparagraph (3), the Secretary shall make allocations between the two accounts.

(3) TRANSFER TO TRUST FUND OF AMOUNTS EQUIVALENT TO CERTAIN TAXES.—

(A) IN GENERAL.—There are hereby appropriated to the Trust Fund amounts determined by the Secretary of the Treasury (hereinafter in this title referred to as the "Secretary") to be equivalent to the amount of the increase in budget receipts resulting from any new taxes imposed under any provision of the Internal Revenue Code of 1954 added by this Act.

(B) METHOD OF TRANSFER.—The amounts appropriated by subparagraph (A) shall be transferred at least quarterly from the general fund of the Treasury to the Trust Fund on the basis of estimates made by the Secretary of the amounts referred to in subparagraph (A) received in the Treasury. Proper adjustments shall be made in the amounts subsequently transferred to the extent prior estimates were in excess of or less than the amount required to be transferred.

(3) MANAGEMENT OF TRUST FUND.—

(A) REPORT.—It shall be the duty of the Secretary to hold the Trust Fund, and to report to the Congress each year on the financial condition and the results of the operations of the Trust Fund (and of each Account contained therein) during the preceding fiscal year and on its expected condition and operations during the next 5 fiscal years. Such report shall be printed as a Senate document of the session of the Congress to which the report is made.

(B) INVESTMENT.—

(i) IN GENERAL.—It shall be the duty of the Secretary to invest such portion of the Trust Fund as is not, in his judgment, required to meet current withdrawals. Such investments may be made only in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States. For such purpose, such obligations may be acquired on original issue at the issue price, or by purchase of outstanding obligations at the market price.

(ii) SALE OF OBLIGATIONS.—Any obligation acquired by the Trust Fund may be sold by the Secretary at the market price.

(iii) INTEREST ON CERTAIN PROCEEDS.—The interest on, and the proceeds from the sale or redemption of, any obligations held in the Trust Fund shall be credited to and form a part of the Trust Fund.

(d) EXPENDITURES FROM TRUST FUND ACCOUNTS FOR ENERGY PROJECTS AND PROGRAMS.—

(1) IN GENERAL.—Amounts in any Account of the Trust Fund shall be available, as provided by appropriations Acts, for making expenditures for the purposes of such Account under this paragraph. Nothing in this paragraph shall be deemed to authorize any program, project, or other activity not otherwise authorized by law.

(2) ENERGY FINANCING PROGRAM ACCOUNT.—For purposes of this paragraph, amounts in the Energy Financing Program Account may be used only for purposes of providing financial assistance (including, but not limited to, loan guarantees, price guarantees, and loans) to business concerns for projects involving energy development, production, transportation, transmission, distribution, or conservation, but only if such project could not receive sufficient funding upon commercially reasonable terms or conditions from other sources to make such project commercially feasible. Financial assistance through the Energy Financing Program Account shall not be available for any project which would be eligible to receive grants or other financial assistance from the Department of Energy nor for projects eligible to receive funding through the Energy-Efficient Transit Account.

(3) ENERGY-EFFICIENT TRANSIT ACCOUNT.—For purposes of this paragraph, amounts in the Energy-Efficient Transit Account may be used only for purposes of energy-efficient transit, including (but not limited to) research and demonstration projects and grants to States for energy-efficient transit purposes or for regional transportation programs.

SEC. 1055. LIMITATION OF PRESIDENTS AUTHORITY TO ADJUST IMPORTS OF PETROLEUM

(a) IN GENERAL.—Section 232 of the Trade Expansion Act of 1962 (19 U.S.C. 1862) is amended by adding at the end thereof the following new subsections:

"(e)(1) Except as provided in subsection (f), the President may not adjust imports of petroleum or petroleum products under subsection (a) after October 14, 1977, other than for periods for which—

"(A) the Congress declares war,

"(B) United States Armed Forces are introduced into hostilities pursuant to specific statutory authorization,

"(C) a national emergency is created by attack upon the United States, its territories or possessions, or its armed forces, or

"(D) United States Armed Forces are introduced into such hostilities, situations, or places, or are enlarged in any foreign nation, under circumstances which require a report by the President to the Congress pursuant to section 4(a) of the War Powers resolution (50 U.S.C. 1453(a)).

"(2) Any adjustment made pursuant to the four exceptions described in subparagraphs (A) through (D) of paragraph (1) shall not apply with respect to articles entered or withdrawn from warehouse for consumption on or after the 60th day after the closing date of the hostilities concerned.".

(b) EXCEPTION FOR CERTAIN REFINED PETROLEUM PRODUCTS.—Such section 232 is also amended by adding at the end thereof the following new subsection:

"(f)(1) Upon receiving a request, application, or motion under subsection (b), the subject of which is imports of refined petroleum products, the Secretary shall report his findings and recommendations to the President with respect to such request, application, or motion within 6 months after receiving such an application from an interested party or otherwise beginning an investigation under that subsection.

"(2) If the Secretary finds under subsection (b) that imports of refined petroleum products threaten to impair the national security he shall so advise the President and the President shall take such action under subsection (b), including imposition or adjustment of tariffs, fees, or quotas relating to refined petroleum products, and for such time, as he deems necessary to adjust the imports of refined petroleum products so that such imports will not threaten to impair the national security, unless the President determines that refined petroleum products are not being imported into the United States in such quantities or under such circumstances as to threaten to impair the national security

"(3) For purposes of subsection (c), in the administration of this section, the Secretary and the President shall further recognize the close relation to our national security of a modern domestic refining industry which is competitive with foreign refineries and shall take into consideration

the impact of foreign competition on the economic welfare of the domestic refining industry and the investment necessary to assure the welfare and growth of such industry; and any substantial unemployment, decrease in revenues of government, loss of skills or investment, or other serious effects resulting from displacement of domestically produced refined petroleum products by excessive imports shall be considered, without excluding other factors, in determining whether such weakening of our internal economy may impair national security.".

(b) TREATMENT OF PETROLEUM FOR CERTAIN TRADE NEGOTIATION PURPOSES.—

(1) Petroleum and petroleum products may not be designated eligible articles for purposes of title V of the Trade Act of 1974.

(2) No rate of duty on petroleum and petroleum products may be increased as imposed pursuant to a trade agreement entered into under title I of the Trade Act of 1974.

SEC. 1056. ADDITIONAL EFFECTIVE DATE PROVISIONS.

(a) TITLE II PROVISIONS.—No provision of title II, and no amendment made by title II, shall take effect as long as any provision of this title or any amendment made by this title is in effect.

(b) COORDINATION WITH CONGRESSIONAL BUDGET ACT of 1974.—Notwithstanding any other provision of this title, or of any amendment made by this title, the Secretary of the Treasury shall postpone (but not to later than October 1, 1978) any of the effective dates for provisions of this title (other than this section) and for amendments made by this title to assure that revenues for fiscal year 1978 will not be less than $397,000,000,000.

SEC. 1057. SENSE OF THE SENATE WITH RESPECT TO REDUCTION OF REVENUE LOSS FROM BILL IN CONFERENCE

It is the sense of the Senate that the conferees on the part of the Senate on this Act shall, to the extent practicable, reduce the revenues loss from this Act for the fiscal year 1978 to $972,000,000.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

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

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

Mr. JACKSON. Mr. President, I ask unanimous consent that Mike Harvey, Betsy Moler, Gren Garside, from the Committee on Energy and Natural Resources' staff; and Eleanor Bachrach, Ken McLean, and Howard Shuman from Senator PROXMIRE's staff be granted the privileges of the floor in connection with the pending measure.

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

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

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

The assistant legislative clerk proceeded to call the roll.

Mr. METZENBAUM. 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. METZENBAUM. I ask unanimous consent that during the pendency of the energy tax measure, Barry Direnfeld and Roger Berliner of my staff be accorded the privilege of the floor; and, on behalf of the Senator from Arizona (Mr. DECONCINI), I ask unanimous consent that Romano Romani be accorded the privilege of the floor.

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

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

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

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. CURTIS. Mr. President, I ask unanimous consent that the following staff members be granted the privileges of the floor during the consideration of the pending measure: Mr. Jack Nutter, of Senator DOLE's staff; Mr. Bill Reinisch, of Senator HEINZ' staff; Mr. Joe diGenova, of Senator MATHIAS' staff, and Miss Kathryne Bruner, of Senator HAYAKAWA's staff.

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

Mr. CURTIS. Mr. President, I ask unanimous consent that the following staff members from the Senate Energy and Natural Resources Committee be granted the privileges of the floor during the consideration of and voting on H.R. 5263; Danny Boggs, Fred Craft, Carol Sacchi, and Faye Widenmann.

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

Mr. CURTIS. Mr. President, I ask unanimous consent that George Pritts and James Heinhold, of my staff be granted the privileges of the floor during the consideration of and voting on H.R. 5263.

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

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

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. CRANSTON. 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. CRANSTON. Mr. President, I ask unanimous consent that Jon Fleming and Ann Wray of my staff be granted privilege of the floor throughout consideration of the pending measure.

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

Mr. PACKWOOD. Mr. President, I ask unanimous consent that Alan Holmer and John Colvin of my staff be granted privilege of the floor during pendency of the bill and votes thereon.

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

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

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

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

RECESS UNTIL 12 O'CLOCK NOON

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess until 12 o'clock noon and that at that time, the pending business will still be the unfinished business—am I correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. I thank the Chair.

There being no objection, the Senate, at 10:29 a.m., recessed until 12 noon; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. FORD).

ORDER FOR ALLOCATION OF TIME AT 2 P.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at 2 p.m. today the minority leader and I have 30 minutes equally divided between us.

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

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

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

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

ENERGY PRODUCTION AND CONSERVATION TAX INCENTIVE ACT

The Senate continued with the consideration of H.R. 5263.

Mr. LONG. Mr. President, it has been 4 years since the Arab oil embargo, and in that time the energy situation has become steadily worse than it was at the time of the embargo. In 1973, before the embargo, we imported 36 percent of our oil, one-fourth of which was from Arab countries, and our dependence was so great that the embargo had devastating effects on the economy. In the first half of this year, our imports were 48 percent of consumption. Moreover, since 1973, our dependence on oil imports from Arab countries has approximately doubled, so that an embargo today would be twice as serious as the 1973 embargo. Our annual bill for imported oil now exceeds $45 billion and is the main cause of our enormous trade deficits.

The natural gas situation is even worse than the oil situation. Last winter, tens of thousands of workers were laid

off their jobs because their employers could not obtain the gas they needed to operate their businesses. In many parts of the country, homeowners cannot get gas hookups at any price and must rely on less efficient oil or electric heat.

While the energy situation has grown progressively worse, the Government has responded by doing virtually nothing to reduce demand for oil and gas or to increase their domestic supply. Indeed, most Government action has had precisely the opposite effect—encouraging demand by keeping oil and gas prices down, limiting offshore drilling because of our slow-moving leasing policy and environmental protection policy, and raising taxes on oil and gas producers.

All serious forecasts of the future energy situation are that, without decisive action, the energy situation will continue to worsen. The Federal Energy Administration forecasts that, if present policies are continued, oil imports in 1985 will be almost 12 million barrels per day, almost twice their 1973 level. This level of imports would pose an unacceptable threat to our economic well-being, our national security, and our ability to conduct an independent foreign policy. Clearly, we need decisive, immediate action.

The energy tax bill reported by the Finance Committee is designed to use tax policy to reduce demand for oil and gas by encouraging conservation in their use and by stimulating shifts to other energy forms and to encourage production of energy, particularly the development, as well as production, of alternative energy sources of which the U.S. possesses abundant but not yet developed resources. The administration has estimated that these incentives will reduce oil imoprts by about 2 million barrels per day by 1985. Together with savings made by the other, nontax energy bills passed by the Senate, the committee's tax bill will enable the Nation to meet the energy goals announced by President Carter last April. I want to point out, however, that even this goal of reducing imports to less than 6 million barrels of oil a day is still too high. I believe that we should continue to make efforts to increase production and develop alternative energy sources so that we can make this country self-sufficient.

The tax incentives in the committee's bill will reduce revenues by about $2 billion in 1980. This is a relatively modest price to pay for a major reduction in oil imports, certainly when it is compared to our $45 billion annual bill for oil imports.

I can understand, nonetheless, why Senators may be concerned with the budget impact of the bill. Let me point out that the House bill contains major tax increases, which will amount to almost $20 billion per year when they are fully effective. When we go to conference with the House, I, for one, will attempt to reconcile the final bill agreed to by the conferees with the fiscal policies of the Carter administration and those of the Congress. The bill should not result in an unplanned drain on the Treasury.

The committee's bill contains two provisions which are designed to insure that the conference bill will comply with the second budget resolution for fiscal year 1978. First, the bill contains a sense-of-the-Senate resolution that the final version of the bill, after it is agreed to by the Senate conferees, involve a revenue loss for fiscal year 1978 no longer than that of the House bill, which is the number anticipated in the budget resolution. In addition, the bill authorizes the Secretary of the Treasury to postpone the effective date of the tax reductions in the bill to make sure that the bill is consistent with the revenue floor—of $397 billion—in the second resolution.

Let me summarize the major provisions of the committee's bill.

The bill includes a 20-percent tax credit for the initial $2,000 of expenditures for home insulation and energy conserving residential heating equipment. An additional credit will be available to homeowners for making use of renewable energy sources, such as solar, geothermal and wind energy systems; this credit will be 30 percent of the first $2,000 of expenditures and 20 percent of the next $8,000 of expenditures, for a maximum credit of $2,200. Both of these credits may exceed tax liability; that is, they are refundable. They will reduce oil imports by about 300,000 barrels per day in 1985.

To encourage energy saving in transportation, the bill extends the current 4-cent gasoline tax through September 30, 1985, instead of permitting it to return to 1½ cents in 1979. It exempts gasoline made from alcohol, called gasahol, from the tax. It also removes the tax reductions through refunds for fuel used by motorboats and other nonhighway equipment.

One important way to save energy is to use automobiles less for intercity travel and to make greater use of energy-efficient buses. To encourage this, there is a tax credit for intercity bus companies, which is to be used to reduce fares and to improve bus service and facilities. In addition, excise taxes on buses, bus parts and certain other items used by bus operators are repealed, and these actions also should contribute to more attractive bus fares.

The bill also contains a tax credit for electric cars, a credit to encourage more efficient commuter transportation to work by having private businesses establish vanpooling for their employees, and by not including the cost of such transportation in the income of employees as a taxable fringe benefit provided by employers. The current tax discrimination against re-refined lubricating oil is eliminated in a step toward recycling oil as long as it is possible to continue its use.

The business energy tax credits are the keystone of the Finance Committee's bill. These credits will reduce average daily oil imports in 1985 by 1.5 million barrels. Our bill contains incentives that will make shifts from using oil and gas to coal or other alternate fuel sources economically compelling. These incentives also are available for investors in equipment that will be used to produce new fuel sources.

In this bill, the basic investment credit concept has been extended. The idea of a refundable investment credit, which Senator KENNEDY joined me in endorsing has been made available, temporarily, in combination with a higher credit rate for energy conservation, convenience, and new development and production of alternative energy sources. Together the changes should overcome the inertia that apparently characterizes the resistance to changing fuel sources. To dispel any doubt that the purpose of these credits is to get these things started, the additional credits will expire after 1985.

The bill provides three provisions for additional investment credits above the present 10-percent level. First, there is a refundable credit of an additional 40 percent for investments in alternative energy property. Included in this category is equipment that, first, uses fuels other than oil or gas, or mixtures of oil or gas and other fuels; second, generates nuclear and hydroelectric power and also that may use solar, geothermal, wind, tidal, and ocean thermal power to generate electricity or heat; third, uses coal, lignite, biomass or other substances to produce fuel and uses coal or lignite to make chemical feedstocks; and, fourth, is used for pollution control with the other processes or for handling and preparation.

Second, there is an additional 10-percent credit which is available for various kinds of specially defined energy property that consists of various types of heat transfer equipment, automatic control systems, industrial heat pumps, and other energy or heat conserving modifications to existing industrial processes, such as smelters.

Both alternative energy property (at 40 percent) and specially defined energy property (at 10 percent) are refundable credits. In addition, the concept of refundability in these cases has been carried over, for equity purposes, to tax-exempt investors in those types of equipment. These investors can include educational, charitable, and religious organizations, electric utility cooperatives and State and local governments.

The third provision is another additional 10 percent investment credit category, which is made available for several other forms of energy property, but without the privilege of refundability. These include equipment to be used for additions to existing capability to cogenerate electricity and heat, for recycling, recovery of shale oil, recovery of methane gas from geopressurized water and for energy-saving components added to commercial transportation equipment.

Insulation for business structures would become eligible for a 10-percent credit in cases where the equipment is not eligible now.

Many people feel that the key to our energy future is to develop some of the expensive, more exotic energy sources which businesses have not yet found profitable to develop. The United States possesses abundant resources of many of

these energy sources, but substantial incentives will be needed to get started on developing them.

The bill, therefore, includes several tax incentives to encourage the production of some of those expensive energy sources. These include a $3 per barrel tax credit for the production of oil from shale and a 50-cent per thousand cubic feet credit for the production of gas from geopressurized gas sources and from tight rock geologic formations. Provision is made for the immediate deduction of intangible drilling costs for geothermal wells and geopressurized gas wells. Percentage depletion is provided for geothermal energy and geopressurized gas, and the existing rate of depletion is increased from 5 to 10 percent for peat used directly or indirectly as fuel. Producers of geopressurized gas also will be allowed to deduct their geological and geophysical costs as a current expense.

Because there is virtually no production of these energy sources today, the cost of these incentives will be small unless they are successful in stimulating additional production. If successful they may be worth hundreds of billions of dollars to the Nation. In fact, they might be worth to this Nation more than $1 trillion.

The bill also makes permanent the exemption from the minimum tax for intangible drilling costs to the extent of a person's oil production income. This provision was enacted for 1977 in the tax reduction bill earlier this year.

Another provision of the bill limits the President's power to adjust crude oil imports to periods of wartime and actual hostilities and limits his authority to adjust imports on refined petroleum products to those needed for national security.

The House bill contained several new taxes designed to reduce the demand for oil and gas. These include a tax on gas guzzling automobiles, a crude oil equalization tax to raise the price of crude oil to consumers to the world price, and a tax on the business use of oil and gas as fuel. When we go to conference with the House, each of these taxes will be in conference, and we are going to have to come to terms with the House conferees on these issues. My feeling is that if the House conferees are adamant, the Senate may be willing to accept some part of the energy taxes, but only if they are accompanied by incentives to increase energy production and only if the incentives are used in a manner which helps solve the energy problem. I hope we can reach an agreement in the conference with the House which will achieve these goals and which will be acceptable to the Senate.

The committee's bill contains a provision which is designed to give the Senate conferees the flexibility to reach an agreement with the House along these lines. This provision states that no new taxes imposed by the bill are to go into effect unless they are accompanied by tax and other economic incentives for increasing production, conservation, and conversion and unless they are modified to mitigate inequities resulting from the energy situation. And, Mr. President, I am going to modify that amendment to make it clear that where it says "incentives" it means "tax incentives".

This provision has the effect of bringing within the scope of the conference a broad range of possible compromise provisions.

We have delayed for far too long the bold actions which are needed to reduce demand for oil and gas and to increase domestic supplies. I hope, therefore, that the Senate will pass the bill and allow us to go to conference with the House where I am convinced that we can work out a bill with energy and budget effects desired by the Senate and advocated by the House of Representatives and the President.

We may differ on the means to get there, but we all agree on the objectives.

UP AMENDMENT 965

Mr. President, as the manager of the bill and chairman of the committee, speaking for the Committee on Finance, I modify the second committee amendment as follows:

On page 96, lines 11 and 12, delete "and other economic incentives".

On page 96, line 14, delete "and mechanisms" and insert in lieu thereof "and tax mechanisms".

On page 96, line 17, delete "such incentives on mechanisms" and insert in lieu thereof "such tax incentives on tax mechanisms".

On page 96, lines 21 and 22, delete "particular incentive or mechanism" and insert in lieu thereof "particular tax incentive or tax mechanism".

Strike out from page 97, line 1, through page 101, line 2.

The PRESIDING OFFICER (Mr. FORD). The amendment is so modified.

The modification is as follows:

On page 96, lines 11 and 12, delete "and other economic incentives".

On page 96, line 14, delete "and mechanisms" and insert in lieu thereof "and tax mechanisms".

On page 96, line 17, delete "such incentives on mechanisms" and insert in lieu thereof "such tax incentives on tax mechanisms".

On page 96, lines 21 and 22, delete "particular incentive or mechanism" and insert in lieu thereof "particular tax incentive or tax mechanism".

Strike out from page 97, line 1, through page 101, line 2.

Mr. LONG. Let me explain this modification, Mr. President.

When we speak of incentives, we are talking about tax incentives. There is another problem involved, involving page 97 through page 101, line 2.

It is our view that in the conference we should agree to have provisions that would raise more money than the Senate tax expenditures spend. We would feel that that money should be used only for the purposes of this bill, the energy legislation generally. That is, to either bring about more production, more conservation, more conversion, or to help solve this energy problem by easing the burden on those who are adversely affected.

There has been some concern, and I understand how these things arrive, though I want to make it clear that it was never the intent of the committee to do otherwise, that we were perhaps trespassing on the jurisdiction of other committees. That, Mr. President, is not the purpose and has not been the purpose. We have never proposed that the Appropriations Committee should not do the appropriating, that the Energy and Natural Resources Committee, the Banking, Housing, and Urban Affairs Committee, the Environment and Public Works Committee, or the Commerce, Science, and Transportation Committee should not do the authorizing within the areas of their legislative jurisdiction.

It is our feeling that if we bring back from conference a measure that raises more money than it spends, the money that it raised should be used not so much for rebate as for bringing about increased production and more effective use of what we have.

We are not seeking to deny the other committees their function to legislate. Quite the contrary, we urge them to do so. What we are seeking to do, as the tax writing committee, is to see that the revenues which may be raised, in the event we do agree to some of the House taxes, would be limited to energy purposes and would not be spent for other purposes. The people of this country, I believe, if they must pay additional taxes—and that remains to be seen, whether they will or will not—would feel far more kindly in paying those taxes if it was something which would help solve the energy problem than if they saw those taxes used for some other purposes.

It is my view, and I believe it is the view of the Senate, that as far as the average taxpayer is concerned there is more support for producing revenues that will produce energy. Of course, with some, their view might be somewhat different.

My view, for example, in urging that we should do something with regard to bus transportation, has been that if we do not do something to help bus transportation, the poor, the aged, those who are either not permitted to drive an automobile or those who are unable to own one, face the prospects of having a lower and lower quality of service. Bus terminals are broken down and in bad shape, in unsightly parts of town and with deteriorating conditions on the buses; higher bus fares for no better service, a disinvestment, that is, a failure to replace equipment as it deteriorates, and in the not too distant future even a discontinuance of service for many of the 13,000 communities which have no other public transportation service available to them.

It is our feeling that in providing for increased production and incentives for increased production, we must also try to provide that any revenue which might be raised, if the House should insist on the taxes and the Senate would go along, would be dedicated to the kinds of things which promote social and economic justice in terms of trying to ease and to overcome energy problems which we face.

UP AMENDMENT NO. 966

Mr. President, there is also a technical error which needs to be corrected.

I send to the desk a modification to the amendment of the Finance Committee. This modification is as follows:

On page 93, line 7, strike out "1977 and before January 1, 1986," and insert in lieu thereof "1977."

The committee agreed that the shale oil tax provision should be permanent. The modification will correct the bill and permit it to do this.

The PRESIDING OFFICER. The bill will be so modified.

Mr. LONG. Mr. President, I ask unanimous consent that during Senate action on the Energy Tax bill, including votes on the bill that the following staff persons be permitted on the floor:

From the Committee on Finance: Michael Stern, George Pritts, Jim Heinhold, Michael Rowny, Bob Cassidy, Bill Morris, Bob Willan, Charles Bruce, and Jack Curtis.

From the Joint Committee on Taxation: Carl Bates, James Billinger, Michael Bird, Albert Buckberg, Thomas Gallagher, Alvin Geske, Harold Hirsch, Leon Klud, John Lepley, Michael Oberst, Paul Oosterhuis, Keith Rollins, Richard Ruge, Michelle Scott, Bernard Shapiro, Lin Smith, Robert Strauss, Melvin Thomas, Robert Warden, Randall Weiss, and James Wetzler.

From my personal staff: John Steen, Jim Guirard, Dot Svendson, Bruce Feingerts, George Foote, and Wiley Jones.

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

Mr. LONG. And from Mr. RIBICOFF's staff, Mr. Stuart Brahs and David Schaefer.

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

Mr. HELMS. Mr. President, I make a similar request for Mr. Everett Wallace and Mr. Mike Crisp of Senator BAKER's staff, and Dick Bryan, of my staff.

Mr. LONG. For Senator GRAVEL, I ask that the privileges of the floor be extended to Dening Cowles and Jerry Gousche.

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

Mr. BUMPERS. Mr. President, I ask unanimous consent that Richard Arnold and Ark Monroe, of my staff, be granted the privileges of the floor.

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

The Senator from Washington is recognized.

Mr. JACKSON. Mr. President, I had intended in behalf of Senator PROXMIRE and myself to make a point of order in connection with section 1054.

Mr. President, I had intended to make a point of order against the Finance Committee's amendment to H.R. 5263. I had intended to do so for the simple reason that the committee's amendment violated rule 41 of the Senate, which states that such amendments are not in order when they contain "any significant matter not within the jurisdiction of the committee proposing such (an) amendment."

Section 1054 of the Finance Committee's amendment clearly violates rule 41 by including legislation within the jurisdiction of the Committee on Energy and Natural Resources, Committee on Banking, Housing and Urban Affairs, and the Committee on Commerce, Science and Transportation.

Among other things, this section would have authorized changes in oil price controls and the crude oil entitlements program, major matters undeniably within the jurisdiction of the Energy Committee. It would also have had a substantial impact on the carefully structured energy research and development program authorized by the Energy Committee. Let me review the details of the Finance Committee's amendment to H.R. 5263 and the report on that amendment.

Section 1054 was entitled "Additional incentives for the production and conservation of energy and for conversion to alternative energy sources, and mechanisms for dealing with energy-related problems."

Mr. President, while the language of the section was innocent on its face, it was clearly intended to utilize revenues from whatever taxes may be imposed to do things that are within the jurisdiction of the Committee I chair.

Subsection (a) prohibited a tax from being imposed unless the act "also contains or provides tax incentives and other economic incentives for increased production and conservation of energy, and mechanisms for avoiding or mitigating adverse and undesirable consequences arising out of the energy crisis." The provision was, in essence, a blank check; the funds could and would have been utilized for virtually any type of energy project.

The committee report makes explicit the fact that the section was to have been interpreted broadly. In fact, it states,

The Committee intends that the concept of tax incentives for increased energy production, conservation or conversion be interpreted broadly. Tax and other incentives for greater production would include, for example, modifications of the crude oil equalization tax in the House bill to transfer a portion of the revenue raised by the tax to oil producers.

By shifting the tax from purchasers of crude oil to producers the "ceiling price of regulated crude oil (could be allowed) to rise by the amount of the tax," and "exempting a portion of each producer's oil production from the tax" could also be allowed. This language leads to wholesale amendment of a very carefully constructed series of legislation, all of which lies within the jurisdiction of the Energy Committee. The legislation includes the Emergency Petroleum Allocation Act and the Energy Policy and Conservation Act.

The committee report also discusses the possibility of offering special incentives for small refiners or modification of the crude oil entitlements program to aid small refiners. The Committee on Energy and Natural Resources clearly has jurisdiction over both subjects.

The Energy Production, Conservation, and Conversion Trust Fund would have been established but would have no money to spend. If funds were available, they could be spent from two accounts. The Energy Financing Program Account "may be used solely for purposes of providing financial assistance (including, but not limited to, loan guarantees, price guarantees, and loans) to business concerns for projects involving energy development, production, transportation, transmission, distribution, or conservation, but only if such projects could not receive sufficient funding upon commercially reasonable terms or conditions from other sources to make such project commercially feasible". Once again, the Committee on Energy and Natural Resources clearly has jurisdiction over the subject areas mentioned. DOE (formerly ERDA) has projects in each area mentioned.

The report states that,

To avoid duplication of effort, financial assistance would not be available for any project which would be eligible to receive grants or other aid from the Department of Energy.

While the prohibition is attractive on its face, the net result would be to make funds available from the trust fund for projects that could not qualify for other DOE programs, thus subverting the carefully constructed requirements of the Federal Nonnuclear Energy Research and Development Act of 1974, the Atomic Energy Act of 1954, and the annual authorization acts.

The Energy-Efficient Transit Account could have been "used solely for purposes of energy-efficient transit, including (but not limited to) research and demonstration projects and grants to States for energy-efficient transit purposes or for regional transportation programs". Both the Energy Committee and the Commerce Committee have jurisdiction over the subject matter. Once again the trust fund would have a blank check to do things that otherwise would be done under the appropriate authorization under DOE or DOT.

Mr. President, as the distinguished chairman of the committee, the distinguished Senator from Louisiana, indicated, the modification made by the Senator in connection with section 1054 conforms basically to a point of order that I had indicated previously I would make. The modification comes as a result of our discussions involving Senator PROXMIRE, Senator BUMPERS, Senator CURTIS, and myself.

I want to thank the Senator for making these adjustments to save the time of the Senate. Under the Senate rules, the point of order would force the bill all the way back to committee because the bill is in the form of an amendment. The whole bill would, of course, fall with the point of order.

Mr. President, I have deep concerns about the pending bill. I can only say that, in my view, the bill reported by the Committee on Finance goes way, way beyond what the President's program called for. I point out that the bill, as I see it, in effect, provides for some $40 billion in credits without any taxes to support it. The gist of the President's program involved fundamentally the levying, among other things, of a wellhead tax which would provide revenues which would be funneled back to the consumers. Obviously, there are various variations that have been suggested by many in the

House and Senate on how those funds could be utilized. But the thrust of it, Mr. President, was to provide money for the various purposes outlined by the President from these tax revenues, but the money would go back to the consuming public.

That was the whole thrust of the President's program. The wellhead tax would act as a disincentive, Mr. President, so as to dampen and, therefore, bring about conservation.

To come right to the point, the bill reported by the Finance Committee does not provide for any taxes, but provides for $40 billion in allocations to the producers. I can only say that if they levy taxes for $40 billion to cover the money available to the producers in the conference, this approach would further depress the economy by that amount. It would take money away from the consumers' purchasing power and it would mean that the taxes that the consumers are paying would go to the producers.

Mr. President, there are adequate incentives in the President's program. I can only say that we are 180 degrees off course on this approach. I observe that it is the wrong approach in terms of dealing with the problems of conservation. The President's program, at this point, does not involve extra large incentives for the producers. The price targets of the President's program, both in oil and natural gas, in my view, do provide adequate price incentives to go after the oil and go after the gas.

Mr. President, to authorize here, in this bill, the allocation of funds to the producers to the tune of $40 billion, without any taxes, certainly ought to come as a shock to some of the fiscal conservatives in this body. It will be interesting to see what the reaction is going to be to passing a tax bill which does all the allocating and none of the taxing.

I am aware of the strategy, and I supported a stripped-down bill, but this is a stripped-up bill. It is a dressed-up bill. Really, when you get down to it, it should get the award for the best-decorated Christmas tree.

I have great admiration for the distinguished chairman, the distinguished Senator from Louisiana. He is very adroit and I know exactly what his objective is. It is to come out with a bill in conference that will substantially—and that is an understatement—modify the President's program by making available most of the funds that would accrue from taxes to go to producers.

I am not opposed to providing loan guarantees. I have supported such legislation, that passed the Senate by an overwhelming margin, to aid and assist in obtaining alternate sources of energy. But I can only say, Mr. President, that, in my judgment, we are going altogether too far in taxing—and that is what we are going to be doing here, because we are not going to pass this proposal without having to pay the piper when it comes back from conference for the $40 billion in taxes that will have to be collected as a result of any approval given by this body to the pending measure.

I must say that, at an appropriate time—which is after we complete phase 1 of the President's program—we should place emphasis on additional assistance that can be forthcoming to encourage production, to provide for risk guarantees.

I point out that, when we talk about building huge, shall we say, coal gasification or liquefaction plants, when we talk about converting oil shale to oil, we are talking about plants that will cost $2 billion to $3 billion. It is my view that a partnership or joint venture on the part of Government and industry is an appropriate course to follow. The truth is that the only real effort that was made a couple of years ago by one of the large oil companies in Colorado to develop an oil shale program has since been withdrawn. The head of that company said, in no uncertain terms, that the risk is too high to invest $2 billion or $3 billion in a plant that, indeed, might not work, or, in any event, if it did work, would not bring returns for 10 years. It is a risk that no private corporation can afford to take.

The truth is that the industry has been unwilling to admit that which is a fact. Looking down the road, I would strongly support appropriate programs for joint venture and partnership on the part of the private sector and the Government sector. But I would only say that, facing the problem that we do here now, this body must decide, are we going to give a blank check, providing $40 billion in funds available to the private sector, money that has been taken from the consumers of this country in the form of excise taxes, hitting the little people the hardest, and turn that money over to the producer?

We started out, over in the other body and the White House, with the idea that those funds would be plowed back to the consumer in one form or another. I submit, Mr. President, that we are not carrying out that commitment. Under all the circumstances, I cannot support the bill in its present form.

Mr. PROXMIRE. Will the Senator yield?

Mr. JACKSON. Yes; I yield to the distinguished Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I thank the Senator for yielding. I know the Senator from Nebraska is the ranking minority member of the Finance Committee and is waiting to speak. I apologize to him. Certainly, protocol would permit him to speak right after the chairman of the committee and the manager of the bill, but I hope he will give me 2 or 3 minutes in order to express my gratitude to the chairman (Mr. LONG) and to Senator CURTIS for the modification of the committee amendment. It does respect the jurisdiction of the Banking Committee and the Energy Committee and other committees. I appreciate that very, very much.

Mr. President, I would like, however, to call the attention of the Senate to the last sentence in the modified amendment. I am going to read it because it is an extraordinary provision, and I think we all should be aware of what it says.

It says:

> It is the sense of the Senate that the inclusion of any such incentives or mechanisms in any conference report reconciling the differences between the two Houses with respect to this bill shall not be subject to any point of order under the Standing Rules of the Senate relating to conference reports, whether or not any particular incentive or mechanism appears in the House bill or the Senate amendments to this bill.

I would be constrained to offer an amendment to delete that sentence, except we have been informed by the Parliamentarian that in the event that the conference should return and a point of order should be made, this language would not stand.

In other words, the point of order could be made and it would be sustained by the Parliamentarian and no Senator would be surrendering any of his rights.

It is language which seems to have very little force, and for that reason I think we should be aware of it.

Mr. President, I would also like to support the distinguished Senator from Washington in the statement he has just made. What concerns me is that what we are doing in the proposed trust fund which the Senator from Louisiana is going to offer is setting up a fund which will contain we do not know how much money. It could be $1 billion, $10 billion, $40 billion. Whatever funds the conference decides will not be provided in tax credits and will result in an increase in revenue.

We are providing that for what purpose? So that the committees can take that money and authorize and then the Appropriations Committee can appropriate it for energy purposes, for conservation, for energy production, and so forth.

Mr. President, the Banking Committee had a number of days in hearings last year on the Rockefeller proposal which was designed to do the same kind of thing with $100 billion. In those hearings we found the only commodities made on the availability of capital in the private market, according to the distinguished economists, Dusenberry and Bosworth, and Bankers Trust, both concluded there were ample funds in the capital markets to achieve this purpose, to provide all the production facilities we need.

Mr. President, furthermore, we are aware of the fact that the colossal increases in the prices of energy have given a cash flow to the crucial companies so they have a great deal of funds of their own.

Mr. President, the provision of additional funds outside of capital markets, in addition to what the energy companies will have, would, in the judgment of many people, simply result in funding very inefficient methods of energy production, constitute a waste and diversion of resources, and not give us more energy, but could very well give us less energy.

Furthermore, if the proposed amendment by the Senator from Louisiana is accepted by the Senate, accepted in conference, and comes back in that form, we would be faced with a situation in which we could not use any of the revenues derived, could not use any derived for effective relief, in my judgment, of the people who have been hit.

Mr. LONG. Will the Senator yield at that point?

Mr. PROXMIRE. Yes, indeed.

Mr. LONG. Let me say to the Senator, while at this point we do not have the revenue we are talking about, in the event some should be agreed to in conference over and above the tax expenditures that might result also from it, I hope that they could be used to bring about additional production or better use of energy. If nothing should happen, in other words, if the authorizing committees do not authorize and the appropriation committees do not appropriate, I am sure the Senator knows on a consolidated budget basis that money goes to balance the budget just as much as if it had been placed in the general fund.

Mr. PROXMIRE. As the Senator knows, if my committee, or any committee I know of in the Senate, is given billions of dollars to spend, it is available to spend, it will be a very hot day in January in Nome, Alaska, when we do not spend that money. We will spend it—and spend it, in my judgment, very often on projects which will not be as efficient as it might be if the private market financed it.

Mr. LONG. That is the Senator's opinion and I certainly respect his right to it. But I wonder if he has really thought about the kind of thing we have in mind.

If we can produce commercially, at a competitive price, oil from shale, we then have a resource that is worth perhaps a trillion dollars that now is worth nothing. It is worthless rock the way it stands today. But that rock can be made into a trillion-dollar resource if we can really produce oil from shale rock that is commercially competitive with the oil we produce in the traditional ways today.

If we can more efficiently gasify coal, we have a parallel result.

In the State of Louisiana, we have a great deal of geopressured brine, from which we can get 5 percent of the energy available. That is the cleanest natural gas that can be found. That could provide energy needs for 150 years, if we get but the 5 percent which liberates itself automatically when it comes to the surface.

If we could get 10 percent of that gas in the brine, which we could compare to shaking a seltzer bottle after it bubbles off the first time, we could get perhaps enough energy to heat the whole Nation for 300 years.

Mr. PROXMIRE. I agree.

Mr. LONG. If we can make that——

Mr. PROXMIRE. That is a real possibility.

The Senate already appropriated last year $3.8 billion for research and development.

If we are going to keep appropriating and authorizing huge funds for the exact kind of energy possibilities the Senator suggests—and I am all for that—the money is there, it will be provided.

Now we come to the point where we have the research proven, we have the development which has indicated that it will work, then the private market can come in. If it does not, then Congress, I am sure, will be in a position to appropriate money for that purpose.

What I am saying, if we blindly take the billions of dollars that may be available here and say that they have to go into these various endeavors, we are going to be wasting a great deal of money because they will not be allocated on the basis of the most efficient, but because we have to get rid of the money.

Mr. LONG. We are talking about a matter of degree and a matter of urgency.

During World War II, we did things no one ever dreamed we could do because we put a priority on them. Admittedly, while we were manufacturing synthetic rubber with Government programs, and while we were putting Reynolds Metals and Kaiser aluminum and these various other people in the business to provide materials we needed, we put some money into ventures that were not doing good. But, on the whole, they did a great deal in a short period of time.

I would not recommend going back into the concrete ship business, as some people did at that particular time. But if we look at that point in the emergency we had, the Nation faced up to it, and we were willing to take some chances to get some results. I think everybody would have to say that the Nation fared very well. Even though some of the decisions made by the Reconstruction Finance Corporation did prove to be losers, on the whole it was a project that actually made money for the Government, and that is not counting the indirect advantage of all the tremendous resources that were developed for the good of the country from that point on, and all the new competition and the new production made available to the economy.

I hope we will come to terms and agree on something like this eventually. We are going to have to treat this matter of going from the pilot project and the pilot funds available under ERDA now into the commercial production as a matter of greater urgency, and also a matter of the Government taking some risk on how to move this ahead.

I hope we can come to terms on that later on.

I hope I understand the Senator and that he understands me.

Mr. PROXMIRE. I agree with that.

Mr. President, I apologize again to the Senator from Nebraska for delaying his statement.

I wish to reiterate that our hearings indicated that, very likely, this money—the Rockefeller money and the money that would develop a trust fund—would be spent for atomic powerplants, for example, that are not somehow able to make it now, gas lines, various other purposes that we found are marginal. They may be able to make it if they would pay a 12 or 15 percent rate. This may advance it to a 7 or 8 percent rate, but the general conclusion was that you are going to find less efficient sources of energy if you proceed in this manner.

I thank the distinguished Senator from Nebraska.

Mr. CURTIS. Mr. President, I yield to the chairman for a brief statement.

Mr. LONG. Mr. President, I should like to make one or two points about this bill.

One point is that when the Senator from Washington spoke of making something available to producers, surely, he was not talking about producers of oil and gas.

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

Mr. LONG. I yield.

Mr. JACKSON. I think the appropriate description would be the energy industry, because it is not all oil and gas. It covers many things—oil shale, alternative sources, coal gasification, and liquefaction.

The only item in that $40 billion that really deals with the public as a whole relates to home insulation, which aggregates a total—that is, with the credit for renewable energy sources—of $7 billion. The remainder is to the energy industry.

I appreciate the Senator calling that to my attention.

Mr. LONG. I thank the Senator.

I should like to make this clear. Just looking at the table summary on page 20, we start out by providing a residential energy credit. That does not do anything to help the producers of oil and gas. To the contrary, that reduces the market for their product.

Then we have the tax on transportation, which is a tax that raises money, which was not discussed, but let us pass that for now.

Part 3 is changes in the business investment credit to encourage conservation of or conservation from—not to, from—oil and gas or to encourage new energy technology. That is the big item. We did not have the votes in the committee, and I doubt that the votes are here, to put the user tax on those who use oil and gas. So we sought to achieve that purpose by providing tax credits, to make it attractive for people to build plants, rather than to impose a tax that puts a tremendous burden on some and no burden on others.

Then we propose to provide a credit for business insulation and other energy conserving components used in business.

In the transportation area, we sought to help save the bus transportation industry by helping it to cut prices and to provide for vanpooling.

All that is to try to save energy, not to use more of it.

We are proposing to encourage people to go into competition with the existing oil and gas producers. In part 4, relating to alternative fuel sources, we tried to encourage competition for oil and gas by helping to stimulate the production of geothermal, geopressurized methane.

While it is true that somebody in oil and gas might get into that business, in the main, it is meant to compete with the existing technology, including the making of oil from shale, which could be a trillion-dollar asset for this country.

About the only thing in there that could help the oil and gas producers is a provision that the President recommended, which Congress passed before,

which has to do with the intangible drilling costs for minimum tax purposes, affecting independent oil and gas producers.

With regard to the cost of the bill, the first year cost for 1978 is estimated at $1.9 billion, and it gradually goes up to a cost of $6.3 billion. We will try in the conference, nevertheless, to whittle down the $1.9 billion loss to the $972 million revenue loss allowed in the second budget resolution.

I point out that we just passed a bill this year to try to stimulate the economy, and the 1978 cost of that is $10.9 million. I am afraid that one of the shortcomings of that is that it tends to stimulate makework jobs, rather than the jobs we need, such as in energy and conservation. This proposal would be less than half the cost of that.

In the first year, the cost in this bill in its present condition is about 20 percent of the cost of what we did then to stimulate the economy.

We are told that we are going to be asked for a tax cut in terms of tax reform, or just an outright tax cut, to stimulate the economy by $20 billion. It is better to put people to work on something for which we have a dire need. When one thinks it might cost something, yes, it will, but it also serves a purpose. Compared with spending money for makework jobs, it serves a far higher purpose, I think, to produce something we definitely need. And even that would be subject to compromise in conference, where we undoubtedly will be talking about the mix of the tax and the tax credits.

I thank the Senator for yielding.

Mr. CURTIS. Mr. President, I ask unanimous consent that the following staff members may have the privilege of the floor, including the time for voting, during the deliberation on this measure: Everett Wallace and Mike Crisp, of Senator BAKER's staff; Peter Shellie and Robert Kabel, of Senator LUGAR's office; Linda Gould and Nolan McKean, of Senator HANSEN's office.

With respect to those staff members for whom I made a unanimous-consent request earlier today, I ask unanimous consent that the request be modified to include the voting time as well.

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

Mr. CURTIS. Mr. President, I voted to report this bill out of the Committee on Finance. I did not do so because I fully approve of the thrust of the bill but in the hope that during our voting on the floor and in the Committee on Conference, we will be able to convert this measure from a tax to an energy bill.

Mr. President, the bill sent to us by the House of Representatives was unacceptable. It was unacceptable because the thrust of the plan was not in the direction of solving the so-called "energy crisis" but is apparently designed for the redistribution of income through a massive tax program. The bill would not solve the energy problem, but it would have had severe economic repercussions on American industry and the American family. That this plan is a massive tax program is beyond doubt. The crude oil equalization tax, if adopted, would have alone imposed a tax that would total more than 2½ times the amount of tax imposed in the Tax Reform Act of 1976. The President's plan, as originally proposed, would have imposed taxes amounting to nearly 10 times the tax imposed by the Tax Reform Act of 1976. The huge tax revenues may force consumers to pay higher prices and may discourage consumption, but such taxes will never produce a single barrel of replacement oil or a cubic foot of natural gas.

Mr. President, what will the bill do? If the bill sent to us is enacted into law it would lower real GNP by 0.5 to 0.7 percent by 1980. This would increase the unemployment rate by 0.2 percent or about 200,000 workers.

Mr. President, that number of 200,000 workers is an estimate of those directly put out of employment. The indirect unemployment resulting would run into the millions and millions because our economy moves on energy. We have an expanding economy and full employment by the use of energy not by its nonuse. It is a program for a no-growth economy and increased unemployment.

I submit that the economy of this Nation cannot withstand this serious disruption especially in view of the lack of any offsetting progress toward solving our energy problems.

Mr. President, in lieu of a tax bill masquerading as an energy bill, I recommend that we substitute the most effective and efficient means by which this country can reduce the consumption of oil, bring forth new domestic supplies, and in time, energy from alternative sources—the price mechanism.

Elimination of the two-tier system of pricing domestic oil would do much to alleviate our energy problems. First, it would do away with the need for a costly, inefficient, and unnecessary allocation program. Second, a higher price for "old" oil will provide the incentive to produce more oil through costly secondary and tertiary recovery methods which could potentially double this Nation's recoverable petroleum reserves. Third, it is unquestionably true that a free market is the most effective regulator of consumption, so that the removal of price controls would help achieve energy conservation.

Mr. President, I would like to specifically comment on a provision of the bill that I have been interested in for many years and that is the section relating to exemption from excise tax for certain blended gasoline.

Section 1021(b) provides for an exemption of fuel tax for gasohol, a blend of gasoline and alcohol. Gasohol that is at least 10 percent ethanol made from agricultural or forestry products would be exempted from the Federal excise tax on motor fuels on or after January 1, 1978, and before October 1, 1985. For many years I have been an advocate of the production of motor fuel from alcohol made from farm crops.

In addition to having surpluses available, we have millions of acres of land that could be in production. American agriculture is entitled to operate at full capacity in order to contribute to the overall needs of our economy.

United States agriculture provides a major resource of renewable industrial energy. Production in excess of priority requirements for U.S. food, feed and fibers is possible through year 1985 and as projected to year 2000, barring natural disasters or national emergencies. The production of cereal grains and their conversion through fermentation to usable ethyl alcohol; the collection and use of such residues as straws, corncobs, hulls and shells for energy; the growing of crops specifically for energy; and the conversion of animal waste byproducts into energy are all possibilities.

Agriculturally derived industrial energies would normally be more expensive than traditional fuels such as coal, gas, oil and water (hydroelectric). However, the future expected energy requirements and predicted shortages of low-cost traditional fuels to meet these requirements and the continued increase in fuel costs could change the future role of agriculture as a source of industrial energy.

Ethyl alcohol has been used as a component in U.S. motor fuels on a limited scale only. Alcohol will give acceptable blend and handling performance, provided the blend contains at least 10-percent anhydrous alcohol (by volume). Lower blends might also be used with dual and more expensive fuel systems. The basic problem has been unfavorable economics.

Mr. President, I am hopeful that the tax incentives in this bill should make the economics more favorable. The increased use of gasohol has two advantages: one, by the use of gasohol the Government will not have to resort to costly programs for restricting land use, controlling production or disposing of surpluses; two, by the use of gasohol we can measurably reduce the use of petroleum products in automobile transportation.

Mr. President, I shall have more to say about the alcohol program when I make some remarks tomorrow. I believe that it offers a great opportunity to add to our motor fuel supplies.

Mr. President, in summary, it is obvious that the principal failing of the national energy plan is the total absence of incentive for increased production of domestic oil and natural gas. It is my view that given the proper incentives through sound pricing the oil and gas industry will significantly narrow that shortfall estimated between supply and demand. I agree that the price of controlled crude oil must be increased. But I disagree that the rise in the price should be designed only to discourage consumption rather than to both discourage consumption and encourage production. Further, whatever the rise in the price of controlled oil, a major portion should be returned to the producer. In this manner, the price rise would have a double effect: it would increase the price of the product to the consumer and thus discourage consumption, and it would play an important role in providing additional incentive, through the

pricing mechanism to increase the productive capacity of oil in this country.

Mr. President, we can become self-sufficient in energy. It will call for a huge capital formation program, and the way to do that is by deregulation of these important supplies.

I yield the floor.

Mr. HANSEN addressed the chair.

The PRESIDING OFFICER (Mr. BAYH). The Senator from Wyoming is recognized.

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

Mr. HANSEN. I yield.

Mr. FORD. Mr. President, I ask unanimous consent that Jim King and Dr. Kevin Gottlieb, of my staff, be accorded the privilege of the floor during debate and votes on this measure.

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

Mr. HANSEN. Mr. President, I do not intend to make a lengthy statement at this time, but I do wish to call attention of Senators to the fact that there are several of us on the Finance Committee who are also members of the Energy and Natural Resources Committee, and I hope that Senators might understand that we have heard both sides of this argument.

I do not contend for a moment that this is a perfect bill that is being reported out by the Finance Committee, but I do think when one looks at the alternatives we have to recognize that despite the assertions by Senators and despite the statement that I heard made by my very good friend and esteemed colleague, the Senator from Washington (Mr. JACKSON) earlier this afternoon that this bill does nothing for consumers, let me say that indeed I think, contrary to most of the legislation that has been passed in the last several years, this bill before us now offers an opportunity to do something for consumers.

I think we have a pretty good example or a number of examples of how not to address the energy crisis. We have rolled prices back. In the first place, we kept natural gas under price controls since the decision made back in the Phillips case, I think around 1954. We have kept the price on natural gas so that natural gas could not respond to the forces in the marketplace and, as a consequence we have seen the increase in natural gas skyrocket and we have seen at the same time discouragement on the industry's part in trying to search for and to discover and produce new sources of natural gas for a very good reason. The price controls were so low that there were just better opportunities for people to make money than to try to make it finding and producing natural gas.

Then we came along in the 1960's and in the 1970's in rolling back the price of oil, introducing all kinds of complicated procedures that tried to make up for the legislative-imposed problems that we created. Among a number of these, we came up with a composite price for all petroleum products. We attempted to encourage the discovery of new oil by saying that we set up different tiers of prices that would apply for oil production so that if someone went out and found some new oil he would be rewarded in a greater fashion than was true with people in the oil business.

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

Mr. HANSEN. I yield.

Mr. NELSON. Mr. President, I ask unanimous consent that Mr. Ufholz, of my staff, be accorded the privilege of the floor during the course of consideration and votes on the pending legislation.

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

Mr. LONG. Mr. President, I ask unanimous consent that Mr. Jerry Cohon, of Senator MOYNIHAN's staff, be accorded the same privilege.

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

Mr. HANSEN. Mr. President, I ask unanimous consent that R. Charles Gentry, of Senator DOMENICI's staff, Doug Logan, of Senator STEVENS' staff, and Bruce Thompson, of Senator ROTH's staff, be accorded the privilege of the floor during consideration and any votes on this bill.

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

Mr. HANSEN. Mr. President, I was speaking about the problems of the consumer in this country and telling about what we have done that has not been in the consumers best interests.

If there has ever been an issue that has been demagoged, it has to be the issue of oil and natural gas prices. We have gone around the country abusing the oil companies, and I do not say for a moment that they are without blame, but they have been a pretty convenient whipping boy, and in response to worldwide events over which the United States had little or practically nothing to do, the price of oil and natural gas, as we all know has gone up.

It has gone up very sharply, and it has made headlines. Any person could read how the price of oil was going up when we read headlines about how the profits of oil companies were going up. Not always did these stories go to the trouble to point out that costs too have been rising and that the cost of invested capital has been increasing at oftentimes an amount proportionate to the rise in percentage of profits.

Nevertheless, the oil companies have been convenient whipping boys, and we have been telling the American public what bad guys anybody in the oil business was.

So I can understand why my good friend, Senator JACKSON, would say that this bill does not do anything for consumers. I submit, Mr. President, that what we have been doing for the last several years has been entirely counterproductive. It has been that way because, for the most part, it did not do anything at all about encouraging greater oil and gas production.

It is true there have been rises in prices, and to some small degree they did help. But when everything else has been going up anyone in business knows that replacement costs are indeed the real costs of whatever the product is you may be selling. If you have a shortage in wool, as an example, and suiting material suddenly rises 100 percent, any store that has any management at all about it knows the articles on the shelf might be sold at a profit when you consider what was the cost of acquiring them. But if you do not get enough money out of the suit you sell to do more than just yield a profit on what you paid for that suit you may find you cannot buy any replacement, and that is exactly the way the oil and gas industry has been.

As a consequence, anyone knows if you want to sell a suit of clothes you have got to get enough for it so that you can buy the replacement material and put it on your shelf in order that you, too, can make a profit on that or you are soon going to be out of business.

That is part of the problem the oil and gas industry has faced. What happened was that the industry became more and more interested in worldwide activities and in opportunities outside of the oil business where it had a chance of making a return on investment over and above what it could have gotten by staying in the United States and looking for the kind of traditional opportunities that have resulted in times past in our being the great energy-producing Nation we are.

So I say, Mr. President, with this bill, which I grant is not complete and which I know full well was designed so as to permit those of us on the Committee on Finance to go to conference with House Members, who are committed to all kinds of taxes the President has recommended, and the kind of taxes, incidentally, which have been turned down by the Senate of the United States or by the appropriate committees representing the Senate of the United States, we have come out with something that will do something for the American people to mitigate or to minimize the energy crisis.

So I say if we do not do anything else this year, if we can put together a package which will result in our being able to bring about a greater production of oil and gas, that will be one of the first times in several years that the Congress has done anything about supply.

I supported an amendment offered by the distinguished Senator from Georgia (Mr. TALMADGE) which, in effect, says to the people interested in oil shale, "If you produce a barrel of oil from oil shale, you will get a $3 tax credit."

We have been criticized for that. We have been criticized for about everything we did. But the fact remains that that kind of action, the type of action which will result in greater supplies coming on the market, supplies coming from America, supplies that will result in American laborers being put to work, American capital invested in American enterprise and bringing about the kind of production which is secure, which is not dependent upon the good will of any foreign country in order that those supplies will not be interrupted, has to be in the best interests of the American consumer.

I think basically, Mr. President, that is what my good friend, the chairman of the Senate Committee on Finance, has been talking about, the reason he has put together the kind of package that is

before us today, which is that he knows if we want to do something of lasting benefit for the American consumer it is not going to be to continue this charade and this demogoguery that says we are helping Americans by keeping prices down so that we do not produce any energy in this country and we have to buy imported energy at higher and higher prices.

The only way we will ever break the effectiveness of the cartel that has had a very real effect upon all of our lives for the past several years is to bring about the kind of domestic activity which will minimize our needs for foreign supplies. I think—I know—the chairman of the Committee on Finance has that kind of legislation in mind.

I also know he is a realist. I know the Speaker of the House has made a lot of statements; I know the House passed a bill that conformed in very great degree to the wishes of the President, and it reflects, I think, the kind of misguided little-understood energy policy that the President proposed, and I say that with all due respect to the President of the United States.

I would like to believe, and I do believe, he just failed to understand what the problems of energy are in this country, and he fell entrapped into the kind of rhetoric that has been employed all too often by people in this country saying that it makes good political sense to castigate the oil companies and to say, "We will roll prices back to show our concern for Americans." All we are doing is insuring that we are going to have to buy more and more high-priced oil abroad.

Later on, as this debate continues, I expect to have figures to back up the statements I now make, and I will not burden Senators with that now. But I did not want to let this opportunity pass, Mr. President, to say that if there is one ray of common sense, one ray of hope, in all of the bills we have had before us, it has to be in this package here.

I happen to sit on the Committee on Energy and Natural Resources. As a matter of fact, I am the ranking Republican on that committee. But I watched that committee demagog and flounder around for several years now, always asserting it is concerned about protecting the little people and the poor people and the people who cannot afford to pay higher prices for anything, and coming up with a policy that insures that these critically important supplies of energy in this country are going to become more and more costly with each passing year.

I salute my chairman, the chairman of the Committee on Finance, for at least being a realist, for understanding if we can come out of a conference with the House of Representatives with a bill, we have got to have the latitude to see that the final bill that comes out moves toward decontrol, that it offers encouragement to the industry to find supplies in this country, to put people to work, to insure the dependability of our supply, to reverse this trend we are in now that sees an increasing outflow of capital going to foreign countries.

It has been predicted that we are going to be spending at least $45 billion this year alone just to pay for the oil and gas we import, and it makes no sense to me to see us entering into deals with Canada to pay more than we pay our domestic producers; and we are doing the same thing with Mexico; and we are letting capital flow out of the United States in all directions, to undertake those steps in foreign countries that we ought to be taking here.

In closing I want to pay my respects and express my appreciation to RUSSELL LONG, the chairman of the Committee on Finance, as being a realist, and as being a person who tells it like it is in this case.

Mr. LONG. I thank the distinguished Senator from Wyoming for his kind words. The fact that they are not fully deserved makes them appreciated all the more.

In line with the Senator's argument, with which I agree, I find myself reminded of something that a great economics professor once told me: that you spend your sophomore year in economics learning how the system is supposed to work, and then you spend the rest of your years studying economics learning why it does not work that way.

We started out with the beautiful theory of free trade, which would indicate that we ought to buy energy from these other exporting nations because they could produce it more cheaply, and we were told that cartels cannot be made to work, that if they could produce it cheaper we could rely upon them and let them produce it and sell it to us.

Having relied upon that, we found, once our Nation was dependent on them, that we lost our capacity to protect the American consumers and we have not gained it back. Now, at long last, we learn there is no substitute for being able to produce our own requirements.

So those of us who argued, back in the earlier days, that we ought to maintain an industry capable of providing for our own needs in time of emergency had a lot of merit in our words, though some at that time thought we were special pleaders for the producing States.

Looking at it today, one can see that these devices to hold down the price to the consumer caused the deterioration of the industry, to the extent that the industry now cannot provide our needs, and it will take a great deal of encouragement and investment to restore production to levels we need now. We are told that we will need investments of over a trillion dollars, over and above what is being done now, in order to hope to move toward self-sufficiency. We have a long, long way to go.

So those who sold us the idea, or at least sold this Nation the idea, that we could safely rely upon foreign sources of energy got us into something they cannot get us out of, and something that it will take at least a decade, and maybe 20 years or more, to undo: a mistake that was seemingly a decision in the interest of the consumer.

Mr. HANSEN. I thank my friend from Louisiana.

Mr. LONG. It tends to prove the old statement that the road to hell is paved with good intentions.

Mr. HANSEN. It certainly does that.

Mr. President, I yield the floor.

Mr. PACKWOOD. Mr. President, one of the better studies that have been done of the President's national energy plan was done by the Office of Technology Assessment, which was a committee created by Congress several years ago to study the environmental and other impacts of legislation that we passed. The Senator from Massachusetts (Mr. KENNEDY) is chairman of that committee at the moment.

In their study entitled "An Analysis of the Proposed National Energy Plan, August 1977," the Office of Technology Assessment says the following:

> The national energy plan's assessment of the world energy crisis is accurate. The problems are complex and serious, and there is little time for fashioning new policies to respond to them. The level of U.S. imports is the pressure gauge that will measure how well American policies are succeeding. If imports can be held close to the goals of the plan, the United States and the rest of the world may well manage a relatively smooth and peaceful transition to sustainable energy resources. If not, the transition may be neither smooth nor peaceful.

Let me emphasize again, Mr. President, what that report correctly says. The touchstone, the key, to whether what we pass in the Senate, what eventually passes the Congress, the key to whether that is a successful energy plan or not is whether it increases or reduces our importation of foreign oil.

When President Carter announced his national energy goals—and I emphasize the word "goals"—when he announced his national energy goals to this country, they were above reproach. There was not a single American who, in good conscience, could disagree with the goals that he set for this country.

Unfortunately, the President's national energy plan that he submitted to this Congress is a sham. It does not reach his goals. It falls far short of his goals. Let me quote again from the Office of Technology Assessment report. Referring now to the President's energy plan as he gave it to the Congress:

> However, the actions proposed in the plan may not be strong enough to prevent oil imports from reaching levels that could threaten national security and economic stability.

The General Accounting Office phrases it perhaps more indelicately:

> As stated in our June 8th report, we believe it incongruous for the President to establish a set of national energy goals, and then to establish a national energy plan that is not expected to achieve them.

Whether the President knew his plan was a sham or not when he gave it to us, of course, is beyond our knowledge. Whether the House of Representatives knew when they passed a bill not too far from the President's proposal, although somewhat reduced, whether what they gave to the Senate was a sham is beyond our knowledge. We do know that enough independent studies have been done of the President's plan, however, to know

that it does not fulfill the goals he says this country must meet.

The President's goal, as he announced it to Congress, was to reduce this country's energy growth to below 2 percent a year. The General Accounting Office estimates a reduction to 2.5 percent, the Congressional Research Service says 2.9 percent, the Office of Technology Assessment says 2.5 percent, and the Congressional Budget Office did not comment on that factor.

The President's plan was to reduce gasoline consumption by 10 percent from 1977 levels, and he had a standby gasoline tax which the House has killed, so it is not even in the bill. But the President hoped, as he gave the bill to Congress that it would reduce gasoline consumption by 10 percent. The GAO says 5 percent. The Congressional Research Service says there will be no measurable impact. The OTA says the goal is too optimistic, and the Congressional Budget Office estimates 5 percent.

The President's plan as he presented it to Congress proposed to increase coal production by approximately 565 million tons annually. The Congressional Budget Office says he will be lucky to increase it by 500 million tons. The OTA says 365 million tons. The GAO says 335 million tons, and the Congressional Research Service says 275 million tons.

The President's speech to Congress said we wanted to set as a goal to insulate 90 percent of all homes and all new buildings. The General Accounting Office says approximately 60 percent, the Congressional Research Service says 70 to 90 percent, the OTA says "too optimistic," and the Congressional Budget Office says 70 percent.

The President said he wants to insulate more than 2.5 million homes. The General Accounting Office did not comment on that goal.

The Congressional Research Service says 1 million, the OTA says 1.3 million, and the Congressional Budget Office says 773,000.

Mr. President, in every aspect of the President's program, every aspect as he gave it to us, it falls short of his goals.

There are three aspects to the program. One conservation. By that I mean a reduction in the amount of energy used. If you insulate your home, you use less energy. That is conservation.

The second part of his program was conversion. If you are using an oil burner, you convert to coal. You do not necessarily reduce your energy, but you reduce your use of oil, which is what we are critically short of.

The third facet of the plan was production, either the production of new and alternative forms of energy, such as solar, geothermal, or increased production of oil and gas.

The President's plan falls somewhat short in the conservation area. It falls badly short in the conversion area. It falls almost miserably and completely short in the production area.

What is the net result of all this on the imports of oil, which is what we all agree is the touchstone of a successful bill? Bear in mind that in the goal that the President set for this Congress and for this country, he said that by 1985 we want to reduce our imports of oil to 6 million barrels per day. We are now importing about 8.8 million barrels per day.

The Congressional Budget Office says that under the President's plan we will import 7.9 million barrels per day; the OTA says 8.4 to 10.4 million barrels per day; the GAO says 10.3 million barrels per day, and the Congressional Research Service says 11.8 million barrels per day we will import in 1985.

If we take the median of all of those, we come out someplace between 10 and 10.5 million barrels per day of oil imported in 1985. Mr. President, that is what is wrong with the President's plan. When we are held up in the Congress or in the Senate, particularly, to ridicule for making a shambles out of the President's plan, he unfortunately submitted to us a plan that was a shambles.

All we can hope for now, assuming it is even within the bounds of the rules of conference as allowed between the House and the Senate, is that we can take the best of the President's bill, the best of the House bill, the best of the Senate bill, and somehow between those three try to come out with a bill which may not reduce our imports to 6 million barrels per day, but, hopefully, hold it at no more than our present imports of 8.8 million barrels per day.

As we continue, therefore, with the debate on this bill, let us not be reminded too often that this Congress has an obligation to come up with a bill which meets the President's national energy plan, because if all we do is meet his plan we will have failed miserably in our obligation to America.

Let us do the best we can to come up with a bill which comes as close as possible to meeting the President's goals which he set for America. Then and only then can we leave this Chamber and adjourn this Congress with some measure of pride. If the best we do is just to meet the President's plan, then we will have to adjourn this session in shame.

The PRESIDING OFFICER. Who seeks recognition?

The Senator from Connecticut.

Mr. RIBICOFF. Mr. President, the legislation before us today bears little resemblance to the proposal advanced by President Carter in April. This measure provides a vast array of tax credits, but there are virtually no new taxes to pay for the programs it encourages. It is estimated that the energy tax bill will reduce oil imports in 1985 by approximately 2 million barrels a day. However, the cost is almost $20 billion.

I very reluctantly voted to report this bill to the floor and did so only to enable the full Senate the opportunity to debate and act on this fifth, and final, portion of the President's energy plan. Although this bill is defective in many respects, the Senate must not forego its obligation to work with the House of Representatives and the President in molding an effective energy program—one designed to meet the energy challenges facing the Nation. We have the responsibility to provide some vehicle with which we can go to conference.

It is clear that the U.S. energy situation grows steadily worse. Proven oil reserves in this country—only about 30 billion barrels—are falling. They are only equivalent to 10 years of current production. The natural gas situation is no better. Consequently, our overall defense position and economic health are seriously threatened. America's heavy purchases of foreign oil have created continual trade deficits. Huge oil imports have led to 16 consecutive months of trade deficits, with the possibility that the overall trade deficit may reach $30 billion this year—a startling figure considering the fact that the previous high for any single year was $6.4 billion in 1972. Were it not for oil, the United States would run a substantial trade surplus. However, the bill for foreign oil is expected to be $45 billion this year—a substantial rise over the $3.7 billion for imported oil spent just 6 years ago.

While the United States faces a rapidly dwindling supply of oil and natural gas, the worldwide situation is not much better. Current proven crude reserves are 600 billion barrels. The ultimate recoverable reserves are estimated at approximately 2,000 billion barrels. Consumption, presently at 22 billion barrels a year, has been climbing at the rate of 6.6 percent since 1940. It is estimated that, if future growth is only 3 percent, total remaining recoverable oil reserves would be exhausted by the year 2020. At the most realistic 5 percent annual growth rate the oil will be gone by 2010.

This situation cannot continue. Affirmative action must be taken to conserve and more efficiently use energy—even at the cost of personal inconvenience, higher prices, and some individual and corporate sacrifices.

Americans are very wasteful of energy. With less than 6 percent of the Earth's people, we currently take more than one-third of the world's energy production. We waste between 30 and 50 percent of all energy consumed in this country. Conservation has been called the best and most cost-effective way to "produce" new energy.

Various provisions in the energy tax bill will encourage greater energy conservation through better insulation, the utilization of renewable energy source equipment, and the installation of energy-saving devices such as heat pumps, more efficient heating systems, and equipment to recover waste energy. It is estimated that we can reduce our energy use by 20 to 30 percent below current projections by the middle of the next decade by attacking wasteful consumption. The energy tax bill represents an important step in this direction.

But conservation is not the only answer. We must actively explore and promote the use of alternative fuel sources in order to decrease our dependence on oil and natural gas. We must insure that we will have future energy resources other than fossil fuels.

The development of alternative sources of energy is a vast undertaking. It will cost nearly $1 trillion during the next decade. Private capital alone cannot do the job. Serious long-term work on alter-

native energy sources demands greater governmental encouragement. If the full potential of geothermal energy, coal gasification and liquefaction, fusion, oil shale, ocean currents, wind power, solar energy, and hydroelectric power are to be developed, we must invest the necessary capital.

A major flaw in the President's energy program is its failure to encourage the production of additional energy and to accelerate research, development, and demonstration of alternative energy sources. There must be a close public-private cooperation in this venture, both financial and technological. Otherwise, we will fail to develop many alternative sources and will continue to move from one crisis to another.

Another defect in the national energy plan is the absence of any meaningful action in the field of transportation. More than one-fourth of all energy consumed in this country is used by the transportation sector. Over one-half of that source of energy consumption is represented by private automobiles. Dependence on the automobile must be significantly curtailed if we are to conserve energy. Greater reliance must be placed on mass transportation. It has been estimated that, on an average daily basis, transit consumes only 38 percent of the energy per passenger mile that urban automobiles use. Unfortunately, the Finance Committee failed to endorse the so-called gas-guzzler tax which would have discouraged the production and use of energy-inefficient vehicles. I hope this provision will be restored.

The energy development and transportation trust fund which I proposed—and which was adopted in principle by the Finance Committee—will channel tax revenues generated by this legislation to the research, development, and demonstration of new energy technologies, increased production of existing and new energy sources, and efficient public transportation. This trust fund could provide loans, loan guarantees, or price guarantees for private energy production or conservation projects. It can also aid programs designed to decrease the energy consumption of overall transportation systems and to encourage the development of the most energy-efficient forms of transit.

In its report on the national energy plan, the General Accounting Office recommended that funds from the energy tax be used to expand public transportation opportunities rather than to provide rebates. The GAO declared that using tax revenues in this manner would constitute "an investment designed to improve the energy efficiency of the transportation system of the country and would also contribute to alternatives to the automobile for all classes of citizens—including the poor." Certainly this is an investment in the future.

The energy development and transportation trust fund is a concept which offers great potential for effectively using funds generated by taxes imposed to encourage energy conservation to help our Nation meet its energy needs. It will fill a serious gap in the President's energy program and will provide a mechanism to decrease our dependence on imported petroleum and fossil fuels. Additionally, the trust fund will stimulate additional conservation in the transportation sector.

Mr. President, inasmuch as Persian Gulf countries account for over one-half of the world's oil reserves, users of oil are to a large degree dependent on those five nations. While the North Sea's oil will lessen Western Europe's dependence on OPEC, the U.S. dependence will grow. In 1973 Arab oil accounted for 22 percent of America's oil imports; in 1976 the figure was 38 percent. Because of the increased demand for OPEC oil, $100 billion has been paid out to those countries. Middle East oil countries have deposited about $50 billion in American banks. There is a possibility that these petrodollars, if suddenly withdrawn or improperly manipulated, could unsettle foreign exchange markets, undermine the dollar, and damage business confidence. If our appetite for oil runs ahead of available supplies or we fail to lessen our dependence on foreign oil, the OPEC nations could further increase their potential stranglehold on the world's economy. It is possible that, unless this situation soon changes, and drastically, our economy and parts of our foreign policy will be held hostage to the actions of others. Thus, to the greatest extent possible, we must keep the money spent on energy—whatever the form—in the United States.

Although the energy tax bill, as reported by the Finance Committee, carries a $20 billion price tag, it encourages the expenditure of funds within this country. Through various credits and other incentives, this bill seeks to reduce demand for imported oil and to increase domestic energy sources. In comparison with the dimensions of the energy challenges facing America and the prospect of increased dependence on foreign oil, the cost of these tax incentives is relatively small. If the goal of achieving a savings of 2 million barrels a day is realized, we will have made an important contribution in combating the energy crisis.

Mr. President, concern has been voiced that the gross cost of the energy tax bill will be an estimated $32 billion over the next 8 years. There is fear that the incentives provided to encourage additional energy production will result in excessive profits for the energy industry. To the extent that the profits of any industry must unduly rise as a result of the energy situation, as excess profits or windfall profits, tax must be imposed. We should not excessively reward producers for increasing domestic energy capabilities and helping this Nation meet its energy needs through its own resources. An effective excess profits must be adopted which will encourage additional production but prevent a rip-off of the American consumer. Such a tax is within the scope of the conference.

The Senate must not only resolve short-term energy problems. We must provide energy resources for the future and reduce our dependence on energy forms which are in limited supply or for which we must depend on imports which are harmful to our national security.

We must travel two energy roads at once. Conservation will stretch out our existing energy resources and provide "new energy." We must also aggressively pursue alternative sources. We have the technical capacity; now we must develop the will to pursue all possibilities. We must consider the energy challenges not only today and in the next decade, but also in the next century. The trust fund which the Finance Committee has endorsed will help provide the resources and direction to meet this task.

Mr. PACKWOOD. 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.

A GREAT MAN COMES HOME AGAIN

Senator HUBERT H. HUMPHREY entered the Chamber.

[Prolonged applause, Senators and guests rising.]

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

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

Mr. ROBERT C. BYRD. Mr. President, for many months, the prayers of the Members of the Senate, as well as those of millions of Americans, have been with HUBERT HUMPHREY; his wife, Muriel; and their family. It is an extreme pleasure, therefore, to welcome our colleague back home to the Senate today.

The Senate is a special body whose character and actions are shaped not only by its official nature but also by the personalities and commitments of those who serve in it at any given time. The presence of HUBERT HUMPHREY in the Senate enhances the greatness that already inherently belongs to this distinguished Chamber. It is a privilege to serve as a colleague of Senator HUMPHREY, and it is, moreover, an extreme honor to call him a friend.

George Santayana, the philosopher and poet, wrote:

> It is not wisdom only to be wise,
> And on the inward vision close the eyes,
> But it is wisdom to believe the heart.

Senator HUMPHREY is one of those great political leaders who have combined the best of mind and soul, wisdom, and inward vision. He has indeed believed his heart. He grew up in a period when men believed that one had a responsibility to help his neighbors, and HUBERT HUMPHREY never lost that sense of care and concern. He has utilized his brilliance and special political skill to seek to make Government more compassionate and responsible toward all the citizens of this country. He has always had a vision of what America can be, and he has sought to give reality to that vision throughout his career.

Some persons look at life on the political stage as glamorous and exciting. But HUBERT HUMPHREY knows that true greatness does not lie in the applause of the crowd or the light of publicity. During his years of service in Minnesota and Washington, as a mayor, a Senator, and

a Vice President, he has worked tirelessly in behalf of the principles in which he believes. He has known victory and defeat. As a result, he is a "many-born man." Adversity has tempered his character; success has graced him with a personal sense of freedom and sensitivity. Nothing that life has dealt him has dimmed his optimism or quenched his unquenchable spirit.

Some men attempt to alter the course of history, or bend the direction of their era, through thunder and threat; they launch armies, marshal forces, and foster plots. HUBERT HUMPHREY has changed our own time through the impact of his personality, the exertion of his energy, the vibrance of his spirit, the exercise of his intellect, and the compassion of his heart. Consequently, he is a man whose influence will reverberate for generations, in America and around the world.

It is indeed a pleasure to have our distinguished colleague and our friend from Minnesota back among us, and I am sure that all the Members of the Senate will join me again in extending a deep and heartfelt welcome to the Deputy Pro Tem of the United States Senate, HUBERT HUMPHREY, today. [Standing applause.]

Mr. President, I yield to the distinguished minority leader.

The VICE PRESIDENT. The Senator from Tennessee.

Mr. BAKER. Mr. President, I thank the distinguished leader. I rise today to join him in speaking on behalf, I am sure, of every Member of this body, and certainly on behalf of every Member on this side of the aisle, in welcoming back our colleague, our friend, our compatriot; the man we have known so well for so long.

As I watch HUBERT HUMPHREY sitting on the other side of the aisle listening carefully to the remarks of the majority leader and to these remarks, I can see a dancing and glistening in his eyes as he wonders how many more speeches he must endure before he has his chance to speak. [Laughter.]

Because I rather suspect that sitting here without speaking, for HUBERT HUMPHREY, constitutes cruel and unusual punishment. [Laughter.]

Mr. President, I am sure the rules of the Senate will not be offended if I say "Welcome back, HUBERT." We are glad you are here. There are many things we could say to extend even further your list of accomplishments, but you know I believe, Mr. President, it might be more appropriate for us to wonder what HUBERT HUMPHREY might be up to next. We are glad he is back in harness, and I look forward to his participation in the future deliberations of the Senate—but I want to serve notice right now that knowing him as we do, whatever it is he has in mind, we had better look at it carefully because the odds are about 50–50 that we will agree with him. [Laughter.]

We are glad you are back HUBERT, and we are delighted to have had this opportunity to express our welcome.

Thank you, Mr. President.

[Standing applause.]

The VICE PRESIDENT. The Senator from Minnesota.

Mr. ANDERSON. Mr. President, Senator HUMPHREY, Muriel, and Mrs. Howard, and my distinguished colleagues, some people had suggested that it would be difficult to come to the U.S. Senate and serve as a junior Senator to HUBERT HUMPHREY. Nothing could be further from the truth. The greatest honor that can come to anyone interested in public service is to serve an apprenticeship under that perfect gentleman.

In the 9 or 10 years that I have had the opportunity to work very closely with HUBERT HUMPHREY, he has never once said no.

I think it would be appropriate for me to confess at this time that between HUBERT and Muriel I have always preferred Muriel, which I think is one of the reasons HUBERT has always liked me. [Laughter.]

To those who do not know him as his colleagues do, let me say that the warm, compassionate, decent HUBERT HUMPHREY that you see in public is the same HUBERT HUMPHREY that we see in private. Whether it is alone in a car at 2 o'clock in the morning between Karlstad and Thief River Falls or on a tiny little airplane between Roseau and the Twin Cities, he is the same decent, kind colleague that we all know and love.

The other night there was a special dinner on his behalf put on by a group of Minnesotans. During that occasion a close friend of Mr. HUMPHREY, Lorne Greene, said this about him:

> When history weighs the great social advances of our time, the impact of the man who never became President may outweigh them all.

Speaking for myself, to those who feel that there are no longer any heroes left in the world, to them I say they have never known HUBERT HUMPHREY.

[Applause.]

The VICE PRESIDENT. The Senator from Minnesota.

Mr. HUMPHREY. My esteemed colleagues, may I say that the distinguished minority leader has an unusual insight into my weakness and my personality. My good friend, Senator BUMPERS, sitting alongside of me here said, "This is just a little too much, isn't it, HUBERT?" And I said: "Hush. I like it." [Laughter.]

After all, I remember ABOUREZK and METZENBAUM going here for days. I see no reason that I should not come back and join in. I did not have a chance to really participate. I was frustrated beyond no end.

RUSSELL LONG just thanked me. He said: "There is nothing like having HUBERT away." [Laughter.]

Gentleman, most of you know me as a sentimental man, and that I am. Today is a very special day in my life, not only because I feel strong enough to come to this historic Chamber, back to the U.S. Senate, the greatest parliamentary body in the world, but more significantly because of the genuine friendship and warmth that has been exhibited here today by my colleagues. The greatest gift in life is the gift of friendship, and I have received it. And the greatest healing therapy is friendship and love, and over this land I have sensed it. Doctors, chemicals, radiation, pills, nurses, therapists, are all very, very helpful, but without faith in yourself and in your own ability to overcome your difficulties, faith in divine providence and without the friendship and the kindness and the generosity of friends, there is no healing. I know that.

I have been going through a pretty rough struggle. But one of my doctors back home said: "HUBERT, we have done about as much for you as we can for a while. Why don't you go back to Washington where you want to be, where your colleagues in the Senate are to be and where you can be with your friends, those whom you love so much?" And I said: "Doctor, that is good advice."

Only once before had I ever wished a doctor to give me advice of a similar nature, namely, take a long vacation, and I followed this advice. I waited, however, because I am a frugal man, until I could get a free ride.

[Applause.]

Some of you were at that dinner to which my good and dear friend and esteemed colleague, Senator WENDELL ANDERSON, referred. They tell me it was a truly delightful occasion. I wanted everybody to have fun. I said then that the only reason I did not come to that dinner was not because I was physically unable, but because I got an invitation from the President, through the good offices of my lobbyist in the White House, the Vice President, my special friend, to come back on Air Force One.

Well, for at least 20 years I have been trying to get on Air Force One. [Laughter] I realize it was not a prolonged experience, but just the thought of it, the vibrations, gave me new hope and new strength.

On Sunday, our President, Jimmy Carter, stopped in the Twin Cities, picked up me and Mrs. Humphrey, and we came back to Washington.

It was a beautiful trip. I had a chance to visit with President Carter and to express to him some of my concerns and my hopes.

I want to put it just this way: I have been known in my life to be an optimist, some people say a foolish optimist, and I suppose at times I have ignored reality and had more than the usual degree of optimism. But I said to the critics that I am optimistic about America, and that I rebuke their cynicism.

The reason I do is because history is on my side. We have come a long way in this country. More people today are enjoying more of what we call, at least in the material sense, the good things of life in every form. We have made fantastic strides in science, technology, and engineering. Our agriculture is the wonder of the world but, most significantly, we are a heterogeneous population, and we are trying to demonstrate to the world what is the great moral message of the Old and New Testament; namely, that people can live together in peace and in understanding because really that is the challenge, that is what peace is all about.

It is not a question of whether we pile up more wealth; it is a question of whether or not we can live together,

different races, different creeds, different cultures, different areas, not as a homogeneous people but rather in the pluralistic society where we respect each other, hopefully try to understand each other, and then have a common bond of devotion to the Republic.

I have a blind devotion to the Senate, which represents the Republic. This is a great institution, and all of us want to add to it by our conduct, by our efforts.

You have been very flattering with me. I want you to know that I am old enough and sufficiently wise enough at this stage of my life to know that all you have said is not exactly according to facts. [Laughter.] But I also want you to know that I am sufficiently fragile and weak as to want to believe every single word you have said. [Laughter and applause.]

To my majority leader, I thank you once again. The bonds of the friendship that have grown between us, particularly this past year, are truly beautiful, and I want to be of help wherever I can, and that is true of my colleagues.

What a wonderful place this is, where we can argue, fight, have different points of view, and still have a great respect for one another and, many times, deep affection.

I must not mention more names because there are so many here who have meant so much to me, but I just want you to know that when it comes to the Senate and to what this body means, it is not Democrat or Republican. It is citizen, which I consider to be the highest honor that can be paid to any person in the world, higher than emperor or king or prince, to be citizen of the United States and then, as a citizen, to be elected and selected by our own constituency to represent the citizenry in this body. What a great honor.

May the Good Lord give each of us the strength to never in any way besmirch that honor, but in every day of our lives, as we see what we believe to be the truth, as we dedicate ourselves to what we believe to be best for our country, even though we may disagree, let us conduct ourselves in a manner that future historians will say, "These were good people. They were good men. They were good representatives, at a time when the Nation needed them." And our Nation does need us no—.

Now, my plea to us is, in the words of Isaiah, as a former President used to say—and I mean it very sincerely—come, let us reason together. There are no problems between the different points of view in this body that cannot be reconciled, if we are willing to give a little and to share a little and not expect it all to be our way. Who is there who has such wisdom that he knows what he says is right? I think we have to give some credence to the fact that majority rule, which requires the building of an understanding and the sharing, at times the compromising, is the best of all forms of rule.

Well, I got wound up. I did not intend to be that long, but that has been the story of my life. You would want me to be natural. Thank you very much. Thank you very, very much.

[Prolonged applause, Senators and guests rising].

Mr. TALMADGE. Mr. President, I am happy to join my colleagues in welcoming the distinguished Senator from Minnesota, HUBERT HUMPHREY, back to the floor of the U.S. Senate.

Senator HUMPHREY is a remarkable man and an outstanding American. I am proud to count him as one of my closest friends and associates.

When I was first elected to the Senate in 1956, Senator HUMPHREY already was in the midst of his second term here. Over the years, on the Senate Committee on Agriculture, Nutrition and Forestry and in other areas of mutual interest, Senator HUMPHREY and I have worked together very closely. I have never seen a man with so much energy, drive, and determination and such an extraordinary range of knowledge.

As the Nation and indeed the world have come to learn, Senator HUMPHREY is one of those rare leaders who sets his sights high and upon whom you can always depend to get the job done. In his many years of public service as mayor, U.S. Senator, and Vice President, HUBERT HUMPHREY has built a record of great accomplishment in many areas—human rights, agriculture, rural development, child nutrition and education, and in virtually every area of human endeavor.

In all of his undertakings, Senator HUMPHREY always has been a man of dignity, honor, and the highest sense of duty. He has given himself totally to the service of his country without regard to any self-interests. He has dedicated his life to make this Nation and the world a better place to live for all of us, and for generations yet to come.

We are fortunate to have Senator HUMPHREY in the U.S. Senate. As a nation, the American people are grateful to Senator HUMPHREY for his leadership and public service.

I say to the distinguished Senator from Minnesota: Godspeed, happiness, and success in all your endeavors.

HUBERT HUMPHREY RETURNS TO THE SENATE

Mr. DOLE. Mr. President, I am pleased to join my colleagues on both sides of the aisle in welcoming our distinguished colleague from Minnesota back to the Senate. Although we have managed to struggle along for the past several weeks without him, it is clearer now than ever before that the Senate is just not the Senate without HUBERT HUMPHREY.

His leadership, his good-natured combative spirit, his integrity, his ideas, and his dedication have been missed. The causes which he so ably champions—some of which I support and others which I oppose—have sorely missed his eloquent advocacy. His President, his party, and all the people of the United States, whatever their party affiliation, whatever their philosophy, are grateful that he is back in this distinguished Chamber today.

He is, as I have said before, a great national asset. He is our dear friend and I know we all look forward to working with HUBERT HUMPHREY for a long, long time to come.

FEED GRAIN SUPPORT

The VICE PRESIDENT. The hour of 2:30 p.m. having arrived, under a previous order the Senate will proceed to vote on H.R. 9090. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. GRIFFIN (when his name was called). Mr. President, on this vote I have a pair with the Senator from Idaho (Mr. McCLURE). If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." Therefore, I withhold my vote.

Mr. CRANSTON. I announce that the Senator from North Dakota (Mr. BURDICK), the Senator from Arkansas (Mr. McCLELLAN), and the Senator from South Dakota (Mr. McGOVERN) are necessarily absent.

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

I further announce that, if present and voting, the Senator from South Dakota (Mr. McGOVERN), and the Senator from North Dakota (Mr. BURDICK) would each vote "yea."

Mr. STEVENS. I announce that the Senator from Oklahoma (Mr. BARTLETT), the Senator from Arizona (Mr. GOLDWATER), the Senator from Pennsylvania (Mr. HEINZ), the Senator from Idaho (Mr. McCLURE), the Senator from Kansas (Mr. PEARSON), the Senator from Delaware (Mr. ROTH), the Senator from Connecticut (Mr. WEICKER), and the Senator from North Dakota (Mr. YOUNG) are necessarily absent.

On this vote, the Senator from North Dakota (Mr. YOUNG) is paired with the Senator from Pennsylvania (Mr. HEINZ).

If present and voting, the Senator from North Dakota would vote "yea" and the Senator from Pennsylvania would vote "nay."

The result was announced—yeas 61, nays 26, as follows:

[Rollcall Vote No. 575 Leg.]

YEAS—61

Abourezk	Glenn	Nunn
Allen	Gravel	Packwood
Anderson	Hart	Percy
Baker	Haskell	Randolph
Bayh	Hatfield	Riegle
Bentsen	Hayakawa	Sarbanes
Biden	Hollings	Sasser
Bumpers	Huddleston	Schmitt
Chiles	Humphrey	Sparkman
Church	Inouye	Stafford
Clark	Jackson	Stennis
Cranston	Johnston	Stevens
Culver	Kennedy	Stevenson
Curtis	Long	Stone
Danforth	Magnuson	Talmadge
Dole	Matsunaga	Thurmond
Domenici	Melcher	Tower
Durkin	Metcalf	Wallop
Eagleton	Morgan	Zorinsky
Eastland	Moynihan	
Ford	Nelson	

NAYS—26

Bellmon	Cannon	Hansen
Brooke	Case	Hatch
Byrd, Harry F., Jr.	Chafee	Hathaway
Byrd, Robert C.	DeConcini	Helms
	Garn	Javits

Laxalt	Metzenbaum	Ribicoff
Lugar	Muskie	Schweiker
Mathias	Pell	Scott
McIntyre	Proxmire	Williams

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Griffin, against.

NOT VOTING—12

Bartlett	Leahy	Pearson
Burdick	McClellan	Roth
Goldwater	McClure	Weicker
Heinz	McGovern	Young

So the bill (H.R. 9090) was passed.

Mr. TALMADGE. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ENERGY PRODUCTION AND CONSERVATION TAX INCENTIVE ACT

The PRESIDING OFFICER (Mr. MATSUNAGA). Under the previous order, the Senate will now resume consideration of H.R. 5263, which will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 5263) to suspend until the close of June 30, 1980, the duty on certain bicycle parts.

The Senate continued with the consideration of the bill.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. Mr. President, on behalf of our distinguished chairman of the Budget Committee, the senior Senator from Maine (Mr. MUSKIE), I ask unanimous consent that the privileges of the floor during the consideration of this measure be granted to the following staff members of the Budget Committee: John McEvoy, Ira Tannenbaum, Van Ooms, Karen Williams, Dan Twomey, Terry Finn, and Liz Tankersley.

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

The following Senators requested, and by unanimous consent, the privilege of the floor was granted in behalf of the following staff members: Mr. DURKIN: Ed Tanzman and Jay French; Mr. HATHAWAY: Jack Norman; Mr. BAYH: Eve Lubalin; Mr. HARRY F. BYRD, JR.: Jack F. Davis, Edward Beck, and John I. Brooks; Mr. GRIFFIN: Gerald Rosen and Robert Willis; Mr. KENNEDY: Mr. Susman, Mr. Banta, Mr. Brady, Mr. McDaniel, and Mr. Parker.

The PRESIDING OFFICER. The question before the Senate is the committee substitute, as modified.

Mr. HOLLINGS. Mr. President, I have here a statement on behalf of the Budget Committee and Senator MUSKIE. He had a prepared statement, Mr. President, but he had a little pinched nerve in his back and momentarily had to leave the floor, so I want to deliver this, but I want to do it in conformance with the wishes of the manager of the bill. Is that permissible at this time?

Mr. HARRY F. BYRD, JR. Will the Senator indicate what his proposal is?

Mr. HOLLINGS. It is a statement on the bill and how it affects the concurrent resolution.

Mr. HARRY F. BYRD, JR. The Senator is not making a resolution?

Mr. HOLLINGS. No, sir.

Senator MUSKIE asked that this be presented in his own words.

Mr. BUMPERS. Will the Senator yield for just a moment?

Mr. HOLLINGS. I am glad to yield.

Mr. BUMPERS. Can the Senator estimate approximately how long it will take?

Mr. HOLLINGS. Fifteen minutes.

Mr. BUMPERS. I thank the Senator.

Mr. HOLLINGS. This is a very important statement, Mr. President, with relation to the budget process. The Budget Committee met all morning long, and I am sure Senator BELLMON, our ranking minority member, will be along. We were in unanimous agreement with respect to the sentiments expressed herein by this statement of our chairman.

STATEMENT BY SENATOR EDMUND S. MUSKIE

Mr. President, the Energy Production and Conservation Tax Incentive Act now before us affects both energy policy and the Federal budget in very significant ways. The Budget Committee met this morning to consider the relationship of this bill to the budget.

I want now to report to the Senate the conclusions the committee arrived at this morning regarding the bill.

First, the individual tax expenditures provided by this bill would breach the revenue floor Congress adopted in its binding congressional budget just last month. The bill contains tax expenditures for fiscal year 1978 which cut more than $800 million below that revenue floor. These tax expenditure provisions of the bill are therefore subject to a point of order under the Budget Act.

Second, to moot the point of order and evade the budget process, section 1056 of the bill directs the Secretary of the Treasury to implement the effective dates of the act on a phased basis, so that the revenue loss which would otherwise occur does not actually breach the budget resolution revenue floor during 1978.

This provision does not reduce the ultimate $40 billion cost of the legislation. It is simply a cosmetic device to get around this year's budget resolution.

Particularly unfortunate, this device surrenders control of fiscal policy to the executive branch. It undercuts the primary purpose of the Budget Act, which—as set forth in the very first section of the Budget Act—is to establish effective congressional control over the budgetary process.

Third, we hope and expect the Senate will—during the course of its debate and amendment of the bill—take appropriate action to bring revenue losses under this bill within the constraints of the binding budget resolution Congress has adopted. The ill-advised evasion of the budget process proposed in section 1056 would then be meaningless and could be eradicated.

Fourth, if that result does not occur, the Budget Committee will feel constrained to make appropriate recommendations to reduce the revenue losses contained in the bill.

No Senator wants to see the congressional energy program derailed by technicalities. Equally so, I do not believe anyone in this body wants to sacrifice the budget process as a matter of one committee's convenience, even for the highest of motives.

If one committee of the Congress can void the application of the budget process to its legislation by an artifice such as section 1056, then, surely, all committees are entitled to the same consideration, and the budget process has become a dead letter.

Mr. President, let me make very clear the desire on the part of the Budget Committee to cooperate with the Finance Committee, the Energy Committee, and all other committees of the Senate to achieve a wise and workable national energy policy. We understand and sympathize with the problems the Finance Committee has faced in producing this bill.

But the Budget Committee's responsibility is to seek to secure adherence by the Congress to the budget it has adopted and to the preservation of the budget process itself.

We want an energy program, but there is no reason why we must sacrifice the budget process or the congressional budget to get an energy bill.

So let us be responsible. Let us enact whatever energy bill we can. But let us also be honest and responsible about the budget process. Let us conform the energy bill we pass to the requirements of that honesty and responsibility.

Just how does the binding budget Congress adopted 3 weeks ago apply to this bill? That congressional budget resolution permits a net reduction by all new revenue legislation of $1.1 billion in fiscal year 1978. This figure was based upon an assumption of a $1 billion reduction for energy tax legislation. This amount reflects the net effect of the House-passed energy tax bill. The resolution also assumed an additional net reduction of $0.1 billion to accommodate a series of other smaller revenue measures.

By comparison to this $1.1 billion allowance, the energy tax bill reported by the Finance Committee would reduce fiscal year 1978 revenues by $1.9 billion, if all the individual effective dates in the bill are maintained. Thus, without further modification, the bill would be inconsistent with the budget resolution and subject to a point of order on the Senate floor.

However, in order to avoid this budget process point of order and to remain cosmetically consistent with the budget resolution, the Finance Committee added section 1056 to the bill.

One might be tempted to admire the ingenuity involved in developing such a device for attempting to avoid a point of order for breaching the congressional budget floor, but the Senate must reject the use of this ploy.

It undercuts the budget process and the budget resolution. It will cause the fiscal year 1978 budget to inadequately reflect the large long-term revenue losses of this bill. It would abdicate significant responsibility to the Treasury Department for the amount of revenues to be

raised in 1978—a constitutional responsibility traditionally jealously guarded by the Congress.

It undercuts the very purpose of this legislation. It is impossible to justify, on any energy policy ground, postponing the effective dates of these energy conservation, production, and conversion provisions. Postponement, in effect, creates a disincentive during the period preceding the delayed effective date to undertake the very actions the legislation is supposed to encourage.

With respect to the long term implications of this bill, I am sure all Senators are well aware of the $41 billion of new tax credits and deductions which the pending bill would create during the period fiscal year 1978–85.

We are deeply concerned that these very high revenue losses—averaging $5 billion a year over the next 8 years—will make it substantially harder for the Congress to achieve a balanced budget in the foreseeable future.

This enactment certainly will jeopardize any chance for significant personal and corporate tax reductions in the foreseeable future.

Some Members of this body might say, "Don't take these potential revenue losses seriously. After all, the House energy tax bill contains several significant new taxes, and therefore, the conference tax bill is certain to have sharply reduced out-year revenue losses." Unfortunately, based on recent experience, this response is inadequate. Just a few months ago, the Senate passed an agriculture bill which breached the budget. Some Senators supported that bill because they believed its high cost would be cut back by the conference. However, in fact, the conference product came back costing even more than the Senate version.

The Senate cannot abdicate its responsibility. It cannot vote for legislation it would be unwilling to see enacted into law. We cannot simply delegate responsibility to our conferees to rectify our Senate excesses. We cannot abdicate our responsibility under the Constitution and the budget process to legislate wisely.

So Mr. President, we must watch the progress on this bill carefully as it occurs. We hope the Senate will enact a bill which is consistent both with the achievement of a sound energy program and the preservation of the congressional budget process. The Budget Committee will do whatever it can to assure that result.

MACROECONOMIC IMPLICATIONS OF THE FINANCE COMMITTEE ENERGY BILL

Mr. President, I am especially concerned because the energy bill reported by the Finance Committee is bad economic policy. It is bad policy because it provides an unbalanced set of economic incentives which would unnecessarily sacrifice revenues and jeopardize the long-run economic goals of full employment and budgetary balance.

The Finance Committee bill does not balance its tax credits with revenue increases in attempting to change the incentives for using energy and for converting from oil and gas to coal. The Finance Committee rejected all four of the tax increases proposed by the administration and approved by the House, depending solely on tax credits for its energy savings. It thereby attempts to shift the entire cost of the energy program onto the Federal budget. The cost will appear as larger budget deficits, as reduced funding for other programs, or as higher tax bills for American taxpayers.

This tax credit program is also unnecessarily costly in its loss of Government revenues. This is because it provides extremely large benefits for conservation and conversion investments although it is reasonable to believe that many of these investments would be undertaken in any case in response to rising oil and gas prices.

The driving economic force behind energy conservation and conversion away from oil and natural gas dependence is higher oil and gas prices. These prices have already risen dramatically, and further rises are likely in the future. This should provide strong incentives for insulation, conservation, and conversion to coal or other energy sources. This tax credit program will provide large windfall gains for many who are merely responding to rising energy prices.

Mr. President, the financial incentives provided by this bill are enormous. The 40-percent additional tax credit for investment in energy conversion, for instance, would lower the cost of capital to firms by 60 to 80 percent relative to current law. The tax expenditure is so great that it would pay some firms to buy coal-using equipment even if its economic value were extremely low. It may produce uneconomic investments at the taxpayers' expense, or may simply accelerate investments that would take place anyhow. This is not an efficient use of tax revenues.

Mr. President, finally, and most important, this program would jeopardize our long-range economic goals of full employment and budgetary balance. Revenue reductions will, in any case, be necessary in the next few years to offset the increased tax burden on American households imposed by growth and inflation. But it is essential that these tax reductions have sufficient stimulative impact to offset such fiscal drag and maintain the recovery.

In the Budget Committee's recent report on the second budget resolution it was estimated that, even with strong investment demand, tax cuts totaling about $30 billion would be required in the next 5 years if we are to return to full employment while we restrain Federal spending. That is under very optimistic assumptions about the growth of private sector demand. The tax credits in the Finance Committee bill would result in revenue reductions totaling about $40 billion by 1985. But these credits would not relieve the increasing tax burden on American families.

Furthermore, in comparison with energy incentives which balanced revenue increases against revenue losses, the Finance Committee proposals would require cumulative revenue losses of some $15 to $20 billion from 1978 to 1985 in order to achieve and maintain full employment. In response to the increased budget deficits resulting from this erosion of revenues, the temptation would be to conduct a more restrictive fiscal policy, which would raise unemployment.

In short, this tax credit program would make it much more likely that we fail to reach our full employment targets and that we continue to run large budget deficits.

Mr. HOLLINGS. Mr. President, that concludes the statement of the distinguished Senator from Maine, the chairman of our Budget Committee. I am not yielding yet.

Mr. President, on my own, let me emphasize the point made by our distinguished colleague from Maine, that the Budget Committee is not a fastidious or unrealistic group trying to pick a fight with the Finance Committee or to make a tenuous point with respect to a thing that really, perhaps, some could argue might not mean a thing after we come back from that conference. On the contrary, the Budget Committee, in a very deliberate fashion, considered all the points. We are not a line item committee. Even at one point, of course, looking at the macroeconomic impact of $41 billion—and that is what we have to look at—are we going to adopt a policy that shall be undeterred and unaltered and unchanged right through the next 8 years. of $5 billion a year, with a casual morning meeting? Are we going to say, "Well, you know, we need an energy bill; the ox is in the ditch. The President wants to get a program going; the Congress wants to go home," and just come back and have to live with that $5 billion annual cut?

We looked at it in broader terms than just the economic impact. We realized that many of the matters brought out by our distinguished Finance Committee, where items passed by overwhelming votes with respect to conservation, when it came to the matter of residential energy credits for insulation, with small businesses, the investment credit, with refundable credits for specific devices for specially defined energy equipment to go into large industry, and down the line, I, in a very real sense, would rather commend the approach of the Finance Committee along these lines, because it has been deliberate, it has been well considered and, in measure, been overwhelmingly approved by the U.S. Senate.

But I would have asked, in all candor, why could they not, in the Finance Committee, have come back with instead of 40 percent refundable credit; namely, 20 percent; instead of some of the percentages attained, halve those percentages to bring it within our particular budget process agreed on only 3 weeks ago.

It was agreed on only 3 weeks ago. We set this limit on ourselves, and by a little technical phraseology at the end of it, "Oh, by the way; oh, by the way, if it succeeds." Even after conference, then the Secretary of the Treasury is to become the Senate Budget Committee or the Congressional Budget Committee; namely, he should not implement these provisions until he is absolutely certain he can attain from the revenues some $397 billion.

This is something that all Senate Members should be totally aware of.

During the week we will have several amendments, as individuals. We hope perhaps that some of the amendments will come and bring it back within line, that we will not have to reach the technical point of order under the Budget Committee and the budget resolution adopted by the Senate itself. But if not, the Budget Committee is determined, as between progress made in energy conservation, on the one hand, and progress made on the budget process on the other, I think the Congress is going to choose the tremendous progress we have made on both sides of the aisle in all the struggle we have had, the good feeling of our Budget Committee working with our Appropriations Committee, the staffs working together, and Senators within the Budget Committee working with the Finance Committee. We have struggled too long and too hard, particularly under the distinguished leadership of Senator MUSKIE, now to let it casually go by the board as an afterthought, that it just does not apply.

If we can make the congressional budget process heard and adhered to, if we can effectuate a self-discipline within ourselves on this particular matter, then we are going to have much easier legislating on all the other matters. But if we break the line with the, "Oh, by the way" Secretary of the Treasury clause at the end, then I have got a lot of bills I can bust the budget with, and I am going to put them all through and get the political credit with an "Oh, by the way" Secretary of the Treasury clause on every one of them so they cannot be technically argued about, no point of order under the budget process, and we will just throw away the Budget Committee, the wonderful progress we have made, the discipline we have effectuated within the body, and the respect that has been built within the committee (even within the executive department) for the congressional budget process.

On behalf of our distinguished chairman (Mr. MUSKIE), I have submitted his statement here and we have come here as clearly and objectively as we can, at the very initial stages of consideration, to say that we in the Budget Committee will have to watch, hopefully, as Senator HUMPHREY says, because we are not all right or all wrong.

But I think the entire Congress is right in this budget process, hopefully, that some of the amendments will bring it back under the line so that a point of order will not have to be raised later this week when we finalize our work on the Finance Committee bill.

Mr. President, I yield the floor.

Mr. LONG. Mr. President, I regret that the very able Senator from Maine (Mr. MUSKIE) cannot be here at this moment. I understand why he is necessarily absent. I hope that he will feel better tomorrow. I know at this moment he is having some difficulty with his health.

Mr. President, I explained before that we have complied with the budget resolution in that we have provisions in section 1056(b) and section 1057 which make it clear that we do stay within the budget resolution, and we intend that we will remain within the budget resolution.

The Senate has a tax cut bill. The House has a tax increase bill. We will go to conference on the two bills. We have the potential of even bringing back from conference a bill that makes money for the Treasury. We do not know precisely how that will work out.

But I want to assure all Senators on the Budget Committee that we understand the need of staying within the budget and the fact that we have committed ourselves to it and we are going to do it.

We have done that by saying that the effective dates of the tax cut provisions would be adjusted by the Secretary of the Treasury, if need be, and, if necessary, that the actions would be postponed to October 1, 1978.

What we have here, Mr. President, is in many respects a repeat exercise of what we went through with the Tax Reform Act of 1976.

The committee undertook to comply with the budget resolution. The chairman and some members did not like the way we complied with it, and we had a great deal of conversation about it. Eventually the bill did pierce the budget resolution. The way it happened was when the chairman himself offered the budget busting amendment to prove a point at that time and, for whatever reason he chose to do it that way—and the record will show he felt he was doing the right thing at that point—we found ourselves hopelessly beyond the budget.

But I offered the same language, basically, that is in section 1057 at that time stating the sense of the Senate that the conferees should bring back a bill that was within the budget targets, and we did.

So those who found extreme cause for concern about the fact that conceivably the bill would go beyond the budget were very pleasantly pleased, and they applauded the bill. In fact, they considered it a victory for the budget process when we brought back the bill with the dates adjusted and sections dropped. We dropped some money losers and picked up some money gainers.

As a matter of fact, we did it in such a dedicated fashion that the following year we had to repeal some of our own handiwork, such as section 911, having to do with people working overseas and the provision on sick pay, for workers drawing that benefit.

In this case, I stated for certain that we will bring back from conference a measure within the budget.

Looking to 1978, we have a right to look forward to the options we may face then. If the President is going to recommend a $22 billion tax cut, whether it is called tax reform or economic stimulus, we might want to anticipate his proposal by making the tax cut in this bill part of the cost of next year's recommendations. The House acted in a similar fashion by holding back on rebates of the energy taxes after 1978.

Mr. President, as the chairman of the tax-writing committee that has to do with tax increases as well as tax expenditures, I think I can comply with the law and I can comply with the rule, because I can read it. I can see what it says, and I can abide by it. We have done that.

However, when one is asked to comply with the spirit of something, how to do that is something about which people differ. I have no doubt that we all hope to arrive at the same place. Some of us might take a different route.

So far as the letter of the budget resolution is concerned, which is what the law says, we will comply with it.

I assure the distinguished Senator from Maine, who unfortunately is unable to be with us at this moment—but who is with us in spirit—that when we come back from conference with the final product, we are going to comply not only with the law but also with the spirit. We are now putting the pieces together. I ask him to be a little patient until we come back from conference.

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

Mr. LONG. I yield.

Mr. DANFORTH. Mr. President, I ask unanimous consent that John Hamm, of my staff, have the privilege of the floor during the remainder of the proceedings on this bill.

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

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

Mr. LONG. I yield.

Mr. HOLLINGS. Mr. President, I would like to be able to emulate the spirit of the budget process as demonstrated on the floor by the distinguished Senator from Maine. If Senator MUSKIE were here, he would show all the outrageous indignation he possibly could exhibit.

He would come, first, to the Tax Reform Act of 1976, to which the distinguished chairman of the Finance Committee refers, and say:

> Senator LONG, at the time we considered that, we had only had the First Concurrent Resolution. So there was not that binding effect. Whereas, now we are into the pits and we have the binding effect of the Second Concurrent Resolution.

Going specifically to the spirit, I am going to read the language. I am sure the distinguished Senator can understand this, because he is an experienced legislator. It reads:

> Notwithstanding any other provision of this title or any amendment made by this title, the Secretary of the Treasury shall postpone—

It then tells about the effective date:

> But not later than October 1, 1978.

What he is really doing is legislating beginning October 1, 1978; perhaps even earlier. He is legislating for October 1, 1978, really for the ensuing fiscal year, without any first concurrent resolution, without any second concurrent resolution, if we take the argument with respect to the spirit of the particular provision.

He knows and we know and everyone else knows—and this will get around—the deliberate approach employed in the statute, under the Budget Act, all the work we put in, and all the hours of con-

sideration, where we tried our level best, getting down to $10 million, $50 million.

We will argue all afternoon over $50 million in a particular budget, trying to hold the line, and—wham—on a technicality, get it by on a point of order, and do not get it in later than the next fiscal year—$41 billion, or $5 billion a year for the next 8 ensuing years.

Mr. LONG. Mr. President, I regret to say that there is a misunderstanding as to the meaning of the language the Senator read. It is the intent of the Finance Committee to require that the Secretary of the Treasury must act, but he must act before October 1, 1978. He can postpone——

Mr. HOLLINGS. He has to pick an effective date by that time, as I read it. Does the Senator mean that the Secretary of the Treasury, under this provision, cannot have an effective date? In other words, he has the volition of not choosing any effective date? As I read it, he has to pick an effective date not later than October 1, 1978—whatever date he can pick in the meantime and find he has $397 billion in revenues. That is fine, as to the intent of Congress. But he has to pick an effective date no later than October 1, 1978.

Mr. LONG. He would put the revenues in the next fiscal year.

Mr. HOLLINGS. Yes. No later than that time. That is right.

So that puts us beyond the next year's first concurrent resolution, second concurrent resolution, any kind of judicious hearing and consideration. We are down to the wire. We have been working with the Finance Committee, and we put $1 billion in the third concurrent resolution just 3 weeks ago, trying to work hand in glove with what the Finance Committee would bring out. But now it is almost $1 billion over; and the way it accelerates, it is a $41 billion revenue loss.

Mr. LONG. Mr. President, we have no assurance that any of these recommendations to the Finance Committee will become law. We might go to conference and find that the House will not accept any of them. The bill may wind up being a big revenue gainer, for all we know.

I say to the Senator that we will not know whether we are going to breach the budget until we emerge with this bill from conference. At that point, I assure the Senator, the bill will not break the budget resolution limits. It is not going to happen. Do not worry about it. We will take care of it.

Mr. HOLLINGS. My distinguished colleague knows that he has to have that point in time when the Budget Committee, under the direction of this body, has to raise those points.

If it is the Senator's contention that we do not raise the point until it gets through the conference and all the way over here for final concurrence in the conference report, and it gets ready for ratification by both Houses, then we are both lost; because, under that contention, we never would raise any point about any bill going through. It will be said, "Well, you never can tell what may come out of conference. You might not even get a conference. So why raise that point of order? They might never agree on any of this."

That is not the procedure in the Budget Act.

Senator MUSKIE knows the duty of our Budget Committee. He has had an arduous task, and he has performed it conscientiously and effectively. If his back did not have a pinched nerve, he would be pinching the Senator from Louisiana right now, a lot more effectively than I can pinch the Senator.

Mr. LONG. I assure the Senator that we have put in the bill a provision to postpone the date until October 1, 1978, not to evade but to comply with the budget resolution.

What we are recommending in the bill as it is before the Senate now is not all going to be the final product. I wish I had as much confidence that the tax cut we are recommending would remain fixed in the bill as some people seem to think. I say to the Senator just do not depend on that.

If we are able to prevail in any substantial portion of these tax cut provisions, it will be because we are agreeing to some other part of the bill where the House of Representatives raises revenue.

So we will go to conference, if we are able to get that far, with the House bill that would raise a lot of money. It also has some tax expenditures by way of refunds. Then, there is the Senate bill that is a tax cut bill.

We will try to put the package together in the conference in such a way that it helps with the energy program and stays within the budget.

Do not worry, I say to the Senator. If we come back here with something that goes beyond the budget, the Senator is going to give us a bad time, a lot worse time than now. I know that what the Senator is saying now is mild compared with what he will say if we come back from conference with something that breaches the budget resolution, and we are not going to do it.

We have in the bill a resolution that the sense of the Senate is that the conferees on the part of the Senate shall act to the extent practicable to reduce the loss from this bill for the fiscal year 1978 to $972 million.

Furthermore, as much as the Senator and the Senator from Maine and the members of the Budget Committee zealously protect the budget, the President has an equal concern. I said before that not only do I not plan to sign a conference report that would go beyond the budget and fail to satisfy our Budget Committee, I also plan not to sign a report that in my judgment the President would veto. He is as earnestly concerned about the budget as the average member of the Budget Committee.

Mr. HOLLINGS. Mr. President, let us be hopeful that the time to make the point of order or the amendment will not be here at the second reading. We will work with the distinguished Senator all this week, and we hope the Senate in its wisdom during the week will bring it back within those budgetary limitations that the Senate itself has agreed upon. Barring that, we either have to submit amendments or make the point of order at that particular time at the end of the week when hopefully we can give it second reading.

Mr. LONG. I say to the Senator that there is more than one way to do it. I think we have done it one of those ways.

I yield to the Senator from Nebraska.

Mr. CURTIS. Mr. President, I am in sympathy with all the efforts of the Budget Committee to conform to the budget law. I think we are facing a situation, though, where the answer to the question at hand, as well as other questions that arise, is that we need a change in our budget procedure. It is my understanding that a point of order cannot be raised if a conference report exceeds the budget. It is regrettable that that is the case, because here we are faced with a situation where the Finance Committee is voting certain tax incentives which everyone understands will be effective if there is to be a tax. The House conferees will come from their end of the Capitol with a tax; the Senate conferees will come with a provision as to what to do about that tax: Should we use it as an incentive for individuals to insulate their homes or to increase production, or whatnot? The Finance Committee has done the only thing it could, and that is to provide that if there are tax expenditures beyond the budget they not go into effect this year.

I realize that is not a good solution, but again I say we need to change our procedure so one can raise a point of order against a conference report.

This is not the only tough situation that arises. Suppose the House of Representatives sends us a bill on most any subject before the second concurrent resolution and it is a high-spending figure that turns out to be above the second budget resolution, and suppose that the Senate passes a bill that is way below the budget. They can go to conference and agree with the House version and neither body would be in a position to have a point of order raised.

Therefore, I think that the solution to this present situation maybe cannot be arrived at this week, because it would call for a change of the budget law or our procedures under that so that we could have a point of order on a conference report. In the meantime I realize it is a very unhappy situation.

Mr. HOLLINGS. Mr. President, if the Senator from Nebraska will yield, I think the point is right.

The PRESIDING OFFICER. The Senator from Louisiana has the floor.

Mr. LONG. I yield to the Senator from South Carolina.

Mr. HOLLINGS. Under the law the point of order can be made at either time. I am advised on the advice of counsel now with respect to the provision of the Budget Act itself one can raise the point of order after second reading and again at the time of the conference report. There is a responsibility to watch it at each stage and let the Senate work its will.

Mr. CURTIS. Mr. President, I inquired and received contrary advice. If that ad-

vice is correct, and I hope it is, then I think that the proper procedure is not to refrain from making a point of order, but to postpone and make it when we see what has happened.

Mr. HOLLINGS. We are going along with a temporary postponement right now. Here it is Tuesday, and I do not think the Senator is going to hear too much from us until Friday when the chairman puts a real move on to get the bill through, trying to get it out this week. Then we will have a better look-see what the bill really contains and how the Senate reacted to very important questions with respect to tax revenues as well as tax credits and tax costs.

Mr. CURTIS. I hope that our point of order can be made on a conference report, because that would be the proper time to raise this issue.

Mr. LONG. Mr. President, let me just conclude by saying that everyone from the President on down agrees that the House bill as the House of Representatives sent it to us is not going to become law. Everyone agrees that the Senate bill as it now stands is not going to become law. Everyone agrees that if we can advance the bill as far as the conference we are going to try to work out something which can become law. What the conference will work out is a matter of serious concern; we do not want to violate the budget resolution, and we will all work to live within it. Meanwhile, we have a proposal which is not going to become law, but in order to stay within the spirit and the purpose of the budget resolution the bill says that—assuming for the sake of argument that all of this is to become law—then the Secretary of the Treasury shall postpone the effective dates. By postponing the effective dates we would be within the budget resolution. That is not how we intend to solve it when we are in the conference. When we come back from conference, we intend to have specific dates which state when each section will go into effect. Some sections will not go into effect at all, because they will be dropped. Either the House of Representatives will not agree to them, or the Senate will not agree to some House provisions. Nevertheless, we fully intend to bring back the best bill we can put together, and it will be within the budget.

Frankly, if the Senator wants to make a point of order, that is when it should be made, but if someone wants to make it now, we will have to live with that. We will always have something new around here, and we will find some way to survive the novelty and give this Senate a chance to do whatever it wants to with this bill.

In the last analysis, this bill will either pass or not pass, because the Senate either likes the bill enough to advance it or because it does not want to do anything about what the President is urging us to do.

If the Senate does not want to do anything to honor the President's recommendation or to try to fulfill its purpose, although it might be by a different approach, of course, nothing will happen. I have seen that happen, too; so, we will just do the best we can to try to accommodate everybody.

The PRESIDING OFFICER. Who yields time?

Mr. BUMPERS. Mr. President, parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BUMPERS. Mr. President, if the Parliamentarian or the Chair will look at section 1054 of the bill, I would like to propound this inquiry: Is the last sentence of section 1054(a) to the committee amendment effective to change the rules of the Senate with respect to conference reports or is the sentence precatory only?

The PRESIDING OFFICER. It is simply precatory, what is commonly referred to as a pious wish.

Mr. BUMPERS. I am sorry, will the Chair restate that, please?

The PRESIDING OFFICER. It is simply precatory, and is commonly known as a pious wish.

Mr. BUMPERS. Then the effect of the sentence in the bill, if passed, if the sentence is in the bill as passed by the Senate, will points of order nevertheless lie under the standing rules of the Senate relating to conference reports just as if the sentence had not been adopted?

The PRESIDING OFFICER. The Senator is correct, under the rules and the precedents thereunder.

Mr. BUMPERS. Mr. President, is the bill open to amendment?

The PRESIDING OFFICER. The bill——

Mr. BUMPERS. The committee amendment?

The PRESIDING OFFICER. The committee amendment and the bill are open to amendment.

UP AMENDMENT NO. 967

Mr. BUMPERS. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk will report.

The assistant legislative clerk read as follows:

The Senator from Arkansas (Mr. BUMPERS) for himself and Mr. HART proposes an unprinted amendment numbered 967:

On page 96, strike the last sentence of section 1054(a).

Mr. ABOUREZK addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas is recognized to support his amendment.

Mr. BUMPERS. Mr. President, I yield to the Senator from South Dakota without losing my right to the floor.

Mr. ABOUREZK. I ask, first of all, Mr. President, unanimous consent that members of my staff be entitled to floor privileges during voting on and consideration of this measure: Bethany Weidner, Chuck Ludlum, and Alan Chvotkin.

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

The Senator from South Dakota.

Mr. ABOUREZK. Mr. President, I make a point of order against the bill and the committee amendment on the ground that they violate section 303 of the Budget Act of the Congress.

The PRESIDING OFFICER. Does the Senator from Arkansas yield for that purpose?

Mr. BUMPERS. Yes, I yield for that purpose.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. ABOUREZK. I make the point of order that the committee amendment and the bill itself violate section 303 of the Budget Act.

The PRESIDING OFFICER. Will the Senator state in what regard it is violative?

Mr. ABOUREZK. In that it exceeds the budget authority for the fiscal year in which we are dealing.

The PRESIDING OFFICER. The point of order will not lie on those grounds, although a point of order might lie under section 303 of the Budget Act on other grounds.

Mr. ABOUREZK. A parliamentary inquiry, on which grounds?

The PRESIDING OFFICER. The Chair cannot advise the Senator on that point. The Chair can only rule when a point of order is made.

Mr. ABOUREZK. Mr. President, a further parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. ABOUREZK. If legislation which we are considering, either the bill itself, the House bill, or the committee amendment, exceeds the budget authority under section 303, does not the point of order lie? What else can we do unless it——

The PRESIDING OFFICER. The Senator is correct. But then there is no indication here that the bill and the committee amendment as proposed exceed the budget authority.

Mr. ABOUREZK. Is the provision concerning the options given the Secretary of the Treasury such that—does that bring it outside the point of order?

The PRESIDING OFFICER. There is no indication here that the language as presented would be subject to a point of order based on the grounds the Senator raises.

The Senator from Arkansas.

Mr. BUMPERS. Mr. President, I would hope that based on the answers of the Chair as to the effect of this sentence, the last sentence of the first section of 1054, that the floor manager would see fit to accept the amendment.

I would like to say that the sentence to which I am referring says it is the sense of the Senate that when the Senate and House conferees meet and reconcile whatever differences there are in the two measures, that whatever those reconciliations are, that a point of order would not lie to the conference report.

Now, that language sort of jumps out at you when you are reading the bill, and since it has no meaning, since the Chair has ruled that it has no meaning, there cannot be any possible good reason for leaving it in, and my amendment simply strikes that sentence.

Mr. LONG. Mr. President, I accept the amendment.

Mr. BUMPERS. I thank the floor manager.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Arkansas.

The amendment was agreed to.

Mr. ABOUREZK. Mr. President, I have consulted the book at the desk, and I want to renew my point of order under section 303(a)(2) which deals with either increasing or decreasing revenues not in the original budget resolution, and my point of order is that this legislation with which we are dealing violates the Budget Act on those grounds.

The PRESIDING OFFICER. The Chair will take this matter under advisement.

Mr. ABOUREZK. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

UP AMENDMENT NO. 968

Mr. LONG. Mr. President, as manager and for the committee, I modify the committee amendment, on page 104, lines 9 and 10, to strike "October 1, 1978", and insert in lieu thereof "September 30, 1978."

Mr. ABOUREZK. Mr. President——

The PRESIDING OFFICER. The committee amendment is so modified and the point of order falls.

Mr. ABOUREZK. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. ABOUREZK. What effect does that change of date have on the particular section of the Budget Act to which we referred?

The PRESIDING OFFICER. By the modification, no longer will the revenues be affected for a fiscal year for which the first concurrent resolution has not been adopted.

Mr. ABOUREZK. A further parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. ABOUREZK. Does the chairman of a committee have the right during a point of order to modify the amendment?

The PRESIDING OFFICER. There are precedents to the effect that the chairman, under authority of the committee, may do so.

Mr. ABOUREZK. I did not hear the Presiding Officer.

The PRESIDING OFFICER. The chairman may do so when authorized by the committee.

Mr. ABOUREZK. Was the chairman of the Finance Commitee so authorized by this committee to do so?

The PRESIDING OFFICER. It is the assumption of the Chair that he was.

Mr. LONG. Mr. President, I did poll the committee. They authorized me to so modify the amendment.

The PRESIDING OFFICER. The chairman states that he was so authorized.

The PRESIDING OFFICER. Are there further amendments?

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

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

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

Mr. MATSUNAGA. Mr. President, I ask unanimous consent that Edwin Ing and Takeshi Yoshihara of my staff be granted the privilege of the floor during debate and voting on the pending measure.

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

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

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

Mr. LONG. Mr. President, there have been some modifications made today, which have the effect of deleting some matter from the bill and changing some of the language, at the motion of the committee. Therefore, Mr. President, I think that Senators reading and working with the bill would be better off having a clean copy to work from.

Mr. President, I ask unanimous consent that H.R. 5263, as modified, and as it stands at this point, be reprinted so it can be available to everyone on tomorrow, as it presently stands.

The PRESIDING OFFICER. Is there objection?

Mr. ABOUREZK. Mr. President, reserving the right to object, do I understand the substance of the chairman's request is only to have a clean copy of the bill reprinted, and nothing more?

Mr. LONG. Yes, just to reprint it the way it now reads.

Mr. ABOUREZK. Mr. President, a parliamentary inquiry, if I might.

The PRESIDING OFFICER. The Senator will state it.

Mr. ABOUREZK. Does that imply that any future points of order on the legislation would be waived?

Mr. LONG. It would not affect any of that. The only purpose is that on reading page 100, for example, and trying to decide what he wants to do about page 100, would be well advised to know that page 100 is no longer there. Therefore, it would be well that everyone have an up-to-date copy of the bill. That is all I am suggesting.

Mr. ABOUREZK. May I ask the distinguished chairman if this one I have on my desk, H.R. 5263, is the bill we are working on?

Mr. LONG. Yes.

Mr. ABOUREZK. And that is the one he intends to reprint?

Mr. LONG. Yes, just as it stands, except for the modifications that have been made today which have the effect of striking some language and changing a few words.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, the bill, H.R. 5263, is the unfinished business, is it not?

The PRESIDING OFFICER. By unanimous consent, it is the unfinished business.

Mr. KENNEDY. Mr. President, the House-passed version of the National Energy Act was an important early step forward in the efforts of President Carter and Congress to develop a rational and effective national energy policy.

But the bill reported by the Senate Finance Committee is nothing of the kind. It is little more than a bloated $40 billion grab bag of wasteful tax subsidies that have no place in a responsible energy policy, and that will play havoc with the congressional budget process. The present bill is bad energy policy, bad tax policy, bad budget policy, and bad economic policy. It does not deserve the approval of the Senate.

These tax subsidies will cost the Treasury a total of $40 billion by the end of 1985, or $5 billion a year over the life of the bill. Over the past 10 days alone, the price tag has gone up by 25 percent—from $32 billion to $40 billion—as the revenue estimators begin to assess the full cost of the bill. The Treasury suggests that the costs may go much higher, if, as expected, the huge tax subsidies lead to price increases in the materials and equipment for which the tax benefits are given.

The massive new tax expenditures are seriously defective as energy spending programs. They flunk the basic tests of need, efficiency, and fairness. There is little information available on the need for new or expanded Federal subsidies of this order of magnitude. Nor is the bill designed to meet any specific needs that might exist. Instead, it is a scattergun subsidy approach that is likely to do far more harm than good in meeting our energy goals.

The bill will provide windfall payments to individuals or businesses for doing what they are already doing or should be doing in any event. In many cases, the value of the benefits in terms of energy savings is far less than the cost of the tax subsidies. In other cases, the tax subsidies will have serious effects on inflation and on competition, or will produce harmful effects on the northeast and other industrial regions of the Nation.

The subsidies will also worsen the already serious problems of concentration in the energy industry. A large part of the subsidies will go directly to the large oil and gas firms, who already own the uranium, coal, shale oil, and geothermal energy resources. What possible justification can there be for tax subsidies whose inevitable effect will be to reduce competition and reward monopoly, especially when some of the major recipients of this tax generosity are the oil and gas producers themselves?

Virtually none of these crucial issues was effectively resolved or even addressed in the hearings on this legislation. As a result, the Senate will be voting in the dark on the expenditure of enormous amounts of Federal funds, at a cost to the Treasury of tens of billions of dollars over the coming years. The Senate simply cannot perform its responsibilities to the Nation's taxpayers in such a fashion.

A few examples make the point:

The new investment credit for converting to coal—which is responsible alone for $26 billion of the $40 billion cost of the bill—is set at an unprecedented rate of 40 percent—on top of the existing 10-percent credit, making a total credit of 50 percent. Moreover, coal conversion, even with a credit, is most feasible for large industrial boilers and furnaces. These boilers and furnaces are owned and operated by less than 1,100 firms. This huge credit is thus an undreamed-of windfall for the industrial giants of the Nation. It provides little or no significant incentives for the other 7 million businesses of America.

The provisions expanding and extending the percentage depletion allowance, the intangible drilling deduction, and the geological cost loopholes will produce a whole new generation of energy millionaires. Not only will these millionaires pay no income tax on their energy profits, but they will also enjoy huge deductions with which to shelter their other sources of income. In effect, we will be adopting a negative income tax solely for the benefit of some of the wealthiest people in the Nation.

The $3 per barrel credit for shale oil and the 50 cents per Mcf credit for certain gases are equivalent by themselves to an additional 57 percent depletion allowance, on top of the generous depletion allowance already provided in existing law or in other sections of the bill. The bill offers these and other new subsidies for synthetic fuels, shale oil, and gas, in spite of the fact that these are exotic high-cost technologies that are unlikely to become economical until oil reaches a price of $20 to $25 a barrel. These gigantic tax subsidies are playing into the hands of OPEC, encouraging OPEC to send its prices even higher, instead of bringing prices down.

The $1 billion intercity bus credit is an expensive bailout for Greyhound and Trailways that produces no significant energy savings and that has no proper place in energy legislation.

The detailed energy saving tables in the Finance Committee report contain no figure on the energy saving achieved by this credit. But a preliminary committee staff estimate indicated that the saving would be only 1,000 barrels a day by 1985, at a cost of $200 million a year—or $548 for each barrel of oil saved.

The expansion of the tax loophole for tax-exempt industrial development bonds will become a new tax shelter for wealthy citizens seeking tax-free interest. Worse, these new bonds will compete in the tax-exempt market with State and local government bonds, thereby making it even harder for States and cities to float their own bonds for schools, hospitals, housing, and other urgent public purposes.

Even the residential insulation credit contains serious deficiencies. Shortages in the industry are already so widespread that the benefit of the credit is likely to be siphoned off by higher prices of insulation. In effect, the credit will be an additional windfall to a handful of producers in the industry, with little or no real benefit to the homeowners who must pay the bill.

Mr. President, we recently had as a witness before our Antitrust Subcommittee the third largest insulation supplier. He indicated that he felt this tax subsidy would provide additional profits to his company. But he opposed the credit, because he said it will create an enormous bulge in demand for insulation during the next 2 to 3 years, so that there will be tremendous pressure for expansion of his business. But he is worried about the dip afterward, when the demand falls off, and he has too much excess capacity. He said that was not good business. And it is not good for the protection of the consumer, and it is not good energy policy.

The interesting fact is that in the case of insulation, as in the case of many other issues, we never considered the competitive impact of the energy program, or the effect that these many proposals will have on competition in the private sector.

Mr. President, the insulation credit has an even darker side. Reports coming in from around the country suggest that the mushrooming unfulfilled demand for insulation is creating a plague of unscrupulous manufacturers selling unsafe products:

Fires in Arizona, Colorado, and Michigan have been traced to improperly fireproofed insulation.

A Wisconsin cheese warehouse collapsed after acid in the insulation corroded the supports in the metal structure.

A Florida home was severely damaged when copper water pipes corroded by insulation burst.

Insulation is now appearing in plain brown paper bags in Massachusetts, with no fire retardant whatever.

The danger signals are obvious. Homeowners may get their tax credit, but they may also get a fire in their attic, a hole in their water pipes, or a pile of rubble in the place that used to be their home.

The bill is also bad tax policy, because the enactment of such large and numerous tax subsidies is directly contrary to the goal of tax simplification. These measures will seriously complicate the Internal Revenue Code and the administration of the tax laws. The new personal tax credits will have to be included on all individual tax returns, including the short form 1040–A. There will be new lines on the tax form for every taxpayer in the country. Taxpayers will have to fill out supporting schedules for each of the new credits. For business taxpayers, the number of new tax credits and deductions will be even larger. Still more complex forms and regulations will be the inevitable result.

The IRS will have to issue detailed regulations to implement the credits. Its agents will have to become energy experts as well as tax experts. In effect, if we enact this legislation, we will be asking the IRS, not the Department of Energy, to administer the Nation's energy program.

In my view, the proposed legislation is a major setback in our efforts to reach a responsible national energy program. The tax subsidies should be deleted from the bill, because they do not responsibly address the Nation's energy crisis, because they will be sources of vastly greater confusion and complexity in the tax laws, and because they constitute extremely wasteful uses of limited Federal funds.

It would be a travesty of responsible action on energy to allow the current crisis to become the pretext for ensconcing a large number of new tax loopholes in the already loophole-ridden Internal Revenue Code.

The bill should be sent to conference stripped of these very costly and highly objectionable provisions, so that the conferees can get on with the job of writing responsible energy legislation.

Mr. President, Congress has come a long way in recent years in identifying the consequences of the legislation we pass. We now keep track of how each dollar authorized and appropriated affects the total budget. The Budget Committee publishes a scorekeeping report which tells us how we are doing. Every bill must carry a statement about its impact on Government regulation. We also require environmental impact statements to determine how specific actions affect the environment.

With respect to the pending tax bill, it is obvious that we also need another type of scorecard—one which would identify the real winners and losers in any piece of legislation.

If we had such a scorecard, what would it look like if the bill before us passes? Americans would be surprised by the truth. It might go something like this:

"Today, Occidental Petroleum scored an impressive shale oil victory in the Senate, overriding the interests of the State of Colorado.

"Babcock & Wilcox won their preliminary round in the Senate and will be eligible for the multibillion dollar boilermaker prize in the conference playoffs.

"Other winners include Johns-Manville, Certain-Teed, and Owens-Corning, who will reap huge profits from the sales of insulation.

"Exxon Corp. assured itself of another crack at a synthetic fuels subsidy.

"Union Oil Co. turned in a victorious performance, gaining another geothermal energy subsidy from the Senate.

"Greyhound and Trailways drove off with several hundred million dollars in Treasury prizes, apparently given out for the tax credit that produces the least energy saving.

"The biggest winners of the day, however, were the 1,100 largest corporations in America. In a clear Senate triumph over the average taxpayer, they have won $24 billion for converting from oil to coal."

If that report sounds fanciful to some, it is only because they have not read the

bill before us. It is not difficult to identify the winners and losers. The winners from this legislation are the large corporations. They get the money. They pay less taxes. They continue to grow and expand their control over American business.

The losers are the average American taxpayers, whose hard earned tax dollars are being used for these enormous tax subsidies.

The current bill contains almost every conceivable tax benefit. Old loopholes are expanded and new loopholes are opened up. The vaults of the Treasury are open wide. No purpose is too wild for the subsidies being handed out. The only missing link is a tax credit for snake oil—but even that is probably not far behind.

When it comes to individual consumers, the winners and losers are again very clear. It is the rich and the upper income groups who gain the major victory if this bill is passed. The poor and middle class will receive little or no advantage from the credits in this bill. To paraphrase a famous saying, this bill, in its majestic equality allows the poor as well as the rich to spend $2,000 on insulation for their homes, or $10,000 to install a solar energy system.

But the really massive benefits are those for business. A few examples reveal the facts.

The Senate tax bill provides a whopping 40-percent tax credit for companies that switch to alternative fuels, principally coal. This 40-percent credit is conferred on top of the existing 10-percent investment tax credit and the accelerated depreciation allowance, which means that the actual cost of the equipment will only be about one-third of the purchase price.

This provision is justified by the committee because it is calculated to save about 1 million barrels of oil a day in 1985. A somewhat similar provision in the House bill was estimated to save only 680,000 to 800,000 barrels a day—a half to a third less. But does that mean that the Senate provision is more effective or more defensible?

The answer is no, because the additional savings can be traced to the fact that this credit—without a corresponding tax—will push up corporate profits substantially. The additional savings come from the fact that corporations will have such high profits that they will invest in additional coal boilers.

Those who will benefit from this exorbitant credit are the 1,100 major corporations which now use oil and gas in boilers, and the four major corporations which make the boilers.

There are 7 million business enterprises in the United States, but only about 1,100 of them, according to the administration's figures, will take substantial advantage of this credit. Eleven hundred out of 7 million—these are the big winners in the legislation.

And who are those 1,100 firms? They are the corporations which own and operate the largest oil and gas fired boilers and consume the largest quantities of energy. They will get the tax credits, and these credits will, according to the Finance Committee, exceed $20 billion by 1985.

The list of these corporations is a list of the 1,100 most profitable companies in America. All the steel companies, all the aluminum companies, the lumber and paper industry, cement, petrochemicals and chemicals, the glass companies—all of them. Every major corporation stands to benefit from this provision.

The manufacturers of the boilers will also benefit handsomely. Again we can see who the winners are. In the boiler industry, four companies control the lion's share of the market: Babcock & Wilcox, Combustion Engineering, Foster Wheeler, and Riley. Can anyone doubt that profits in these companies will climb off the charts when the Government suddenly decides to spend over $20 billion for boilers over the next 8 years?

One of the most generous handouts in this bill is for geothermal energy. Geothermal energy is the only energy source in the bill which receives the 40 percent credit for all stages of production, including the turbine itself and excluding only the electrical transmission system. In addition, geothermal energy receives a current deduction for intangible drilling costs and it also receives a percentage depletion at the 22 percent rate established for oil and gas.

Geothermal energy is no more free of control by special interest groups than any other resource. In 1973, 30 companies were engaged in geothermal exploration. The major control belongs to the oil companies—Arco, Chevron, Getty, Gulf, Phillips, Signal, Sun, and Union. Others include Weyerhauser, Southern Pacific Railroad, and San Diego Gas and Electric.

As a result, half the beneficiaries of the geothermal subsidies will be the large oil companies or other large corporations—even before we look behind the ownership of the other companies in the field.

The bill also provides a rich subsidy for converting coal into a gas or a liquid—the same 40-percent tax credit we have seen before. In addition, the bill also makes coal gasification and liquefaction eligible for financing through tax exempt industrial development bonds.

Who are the beneficiaries of this expensive subsidy? We can get some idea from looking at the firms which are already receiving the principal Federal money for research in this area. Here again we find the familiar list: Exxon, Conoco, Shell, Cities Service, Gulf, Occidental, Phillips, American Oil, and a consortium of Conoco, Standard of Indiana, Ashland and Mobil and the State of Kentucky.

These facts are only the tip of the iceberg. The present bill contains almost endless giveaways for the rich and powerful.

The philosophy of this legislation is that the Government should solve the energy crisis by bribing the large corporations and wealthy individuals to conserve energy and seek new energy sources. That philosophy will lead us down the garden path to economic and energy ruin, and we follow it at our peril.

Mr. President, I ask unanimous consent to have printed in the RECORD a list of the provisions that I believe should be struck from the bill.

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

PROVISIONS THAT SHOULD BE DELETED FROM THE SENATE ENERGY TAX BILL

1. Residential Insulation Credit: refundable credit of 20 percent of first $2,000 of expenditures; maximum credit of $400. (Sec. 1011).

2. Residential Solar, Wind, and Geothermal Energy Credits; refundable credit of 30 percent of first $2,000 of expenditures and 20 percent of the next $8,000; maximum credit of $2,200. (Sec. 1011)

3. Vanpooling Tax Credit: 20 percent investment credit for employers who purchase vans which hold nine persons and which are used solely to transport employees to work. (Sec. 1027)

4. Electric Car Tax Credit: $300 credit for purchase of electric car for personal use. (Sec. 1028).

5. Intercity Bus Credit: refundable credit of 20 percent based on passenger miles; the credit must be used for fare reduction and investment in terminals and equipment. (Sec. 1029)

6. Additional 40 percent Refundable Investment Credit for equipment used by industry and utilities in conversion from oil and gas to other fuels. Types of equipment specified are boilers, burners, nuclear and hydroelectric equipment, production of synthetic fuel, fuel mixtures, coal equipment, pollution control equipment; handling and preparation equipment at the point of use (e.g., coal bins), ocean and tidal equipment, solar, wind and geothermal equipment, and plans for such equipment. The 40 percent credit is available on top of the existing 10 percent investment credit and accelerated depreciation. (Sec. 1031)

7. Additional 10 percent Refundable Investment Credit for energy conservation equipment purchased by businesses to increase the efficiency of oil and gas energy, such as heat exchangers and other equipment to recover waste heat. (Sec. 1031)

8. Extension of the Additional 40 percent and 10 percent Investment Credits to tax-exempt organizations and State and local governments. (Sec. 1033).

9. Additional 10 percent Investment Credit for equipment for cogeneration, solid waste recycling, shale oil, and methane. It also applies to commuter vans and to energy-saving equipment for trucks. (Sec. 1032(a)).

10. Additional 10 percent Investment Credit for Business Insulation. (Sec. 1032 (b)).

11. Tax-Exempt Industrial Development Bonds for coal gasification and liquefaction facilities. (Sec. 1041).

12. Tax-Exempt Industrial Development Bonds for Bioconversion Facilities for converting municipal waste into fuels. (Sec. 1041).

13. Percentage Depletion for Geothermal Energy; rate set at the same percent as for independent oil and gas producers; 22 percent now; phased down to 15 percent in 1984. The allowance is available to all producers, not just independents, and the 65 percent of taxable income limitation applicable to oil and gas does not apply. (Sec. 1042).

14. Intangible Drilling and Development Deduction for Geothermal Energy. These are non-capital expenses for wages, fuel, repairs, hauling and supplies, involved in preparing and drilling a well. (Sec. 1043).

15. Limited Application of the Minimum Tax to Geothermal Energy. (Sec. 1051).

16. 10 percent depletion for Geopressurized Methane Gas (natural gas in underground brine). (Sec. 1042).

17. Current Deduction for Geological and Geophysical ("G & G") costs for geopressurized methane. These are the costs of de-

termining the existence, location extent or quality of a deposit. (Sec. 1043).

18. Intangible Drilling Deduction for Geopressurized Methane. (Sec. 1043).

19. Limited Application of the Minimum Tax to Geopressurized Methane. (Sec. 1051).

20. $3 per Barrel Tax Credit for Oil Shale. (Sec. 1044).

21. 50 cents per MCF Tax Credit for Geopressurized Methane. (Sec. 1044).

22. 50 cents per MCF Tax Credit for gas from "tight rock formations" to be defined by the Secretary of the Treasury. (Sec. 1044).

23. Increase in the Depletion Allowance for Peat Used for Fuel from 5 percent to 10 percent. (Sec. 1042).

Mr. KENNEDY. I have reviewed in some detail the various provisions which exist, 14 different provisions, and I am very hopeful that during the debate and discussion on this particular measure we will have an opportunity to address those measures. I fully intend to do so during the course of the debate.

OVERSEAS PRIVATE INVESTMENT CORPORATION AMENDMENTS ACT OF 1977

Mr. ROBERT C. BYRD. Mr. President, it is my understanding that there is a substitute amendment which will be offered on tomorrow to the bill. In view of the fact that it will take some time to prepare that amendment, the leadership is prepared to proceed to the consideration, for the rest of today, of S. 1771, the OPIC bill, which, as I understand it, is necessary to be acted upon before the Senate adjourns for the year.

Therefore, I ask unanimous consent that for the remainder of today, the Senate proceed to the consideration of Calendar Order No. 461, S 1771, with the understanding that in no event does the bill, H.R. 5263, lose its standing as the unfinished business.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 1771) to amend the Foreign Assistance Act of 1961, as amended, 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 Foreign Relations with an amendment to strike all after the enacting clause and insert the following:

SHORT TITLE

That this Act may be cited as the "Overseas Private Investment Corporation Amendments Act of 1977".

PURPOSE AND POLICY

SEC. 2. Section 231 of the Foreign Assistance Act of 1961 is amended—

(1) by inserting after the first paragraph the following new undesignated paragraph:

"The Corporation, in determining whether to provide insurance, financing, or reinsurance for a project, shall especially—

"(1) be guided by the economic and social development impact and benefits of such a project and the ways in which such a project complements, or is compatible with, other development assistance programs or projects of the United States or other donors; and

"(2) give preferential consideration, in the Corporation's investment insurance, financing, and reinsurance activities, to investment projects in less developed countries which meet the poverty criterion of the International Development Association.";

(2) by amending subsection (e) to read as follows:

"(e) to give preferential consideration in its investment insurance, financing, and reinsurance activities (to the maximum extent practicable consistent with the Corporation's purposes) to investment projects sponsored by or involving small businesses;";

(3) by striking out subsections (f) and (l), and redesignating subsections (g), (h), (i), (j), (k), and (m) as subsections (f), (g), (h), (i), (j), and (k), respectively; and

(4) by adding "and" at the end of redesignated subsection (j).

INVESTMENT INSURANCE AND OTHER PROGRAMS

SEC. 3. Section 234 of the Foreign Assistance Act of 1961 is amended—

(1) by striking out all after "total project financing" in subsection (a)(2) and inserting in lieu thereof a period:

(2) by striking out "total face amount" each place it appears in subsections (a)(3) and (b) and inserting in lieu thereof "maximum contingent liability";

(3) by striking out paragraphs (4) through (7) of subsection (a) and inserting in lieu thereof the following:

"(4) In order to encourage the development of private and multilateral investment insurance the Corporation may make arrangements, consistent with its purpose set forth in section 231 and on equitable terms, with private insurance companies, multilateral organizations, or others for participation in the liabilities arising from insurance of the risks referred to in paragraph (1) of this subsection.";

(4) by striking out the last paragraph of subsection (c) and inserting in lieu thereof the following:

"No loan may be made under this subsection to finance any operation for the extraction of oil or gas. The aggregate amount of loans under this subsection to finance operations for the mining or other extraction of any deposit of ore or other nonfuel minerals may not in any fiscal year exceed $4,000,000.";

and

(5) in the first sentence of subsection (d), by striking out all after "private investors" and inserting in lieu thereof a comma and the following: "except that—

"(1) the Corporation shall not finance any survey to ascertain the existence, location, extent, or quality of, or to determine the feasibility of undertaking operations for the extraction of, oil or gas; and

"(2) expenditures financed by the Corporation during any fiscal year on surveys to ascertain the existence, location, extent, or quality of, or to determine the feasibility of undertaking operations for the extraction of non-fuel minerals may not exceed $200,000 in any fiscal year.".

ISSUING AUTHORITY

SEC. 4. Section 235 of the Foreign Assistance Act of 1961 is amended—

(1) by striking out ", of which guaranties of credit union investment shall not exceed $1,250,000" in subsection (a)(2); and

(2) by striking out "December 31, 1977" in subsection (a)(4) and inserting in lieu thereof "September 30, 1981".

GENERAL PROVISIONS RELATING TO INSURANCE AND GUARANTY PROGRAM

SEC. 5. Section 237(f) of the Foreign Assistance Act of 1961 is amended—

(1) by inserting before the period at the end of the first sentence a comma and the following: "except that the Corporation may provide for appropriate adjustments in the insured dollar value to reflect the replacement cost of project assets"; and

(2) by inserting before the period at the end of the second sentence a comma and the following: "except that this limitation shall not apply to direct insurance or reinsurance of loans by banks or other financial institutions to unrelated parties".

ACTS OF BRIBERY

SEC. 6. (a) Section 237 of the Foreign Assistance Act of 1961, as amended by section 5 of this Act, is further amended by adding at the end thereof the following:

"(1)(1) No payment may be made under any insurance or reinsurance which is issued under this title on or after the effective date of this subsection for any loss occurring with respect to a project, if any Federal agency other than the Corporation has made a final determination, or any court of the United States has entered a final judgment, that an investor seeking payment under this title, or any agent of such investor, is responsible for an act of bribery, as defined in section 238(e) of this Act, with respect to that project.

"(2) The provisions of this subsection shall expire upon the date of enactment of general legislation providing for criminal penalties for acts of bribery committed by investors in order to influence actions of a foreign government.".

(b) Section 238 of the Foreign Assistance Act of 1961 is amended—

(1) by striking out "and" immediately after the semicolon at the end of subsection (c);

(2) by striking out the period at the end of subsection (d) and inserting in lieu thereof a semicolon and "and"; and

(3) by adding at the end thereof the following:

"(e) the term 'act of bribery' means an offer or promise to pay, or a payment of, any significant amount of money, or an offer or promise to give, or a gift of, anything of significant value, by an investor seeking payment under this title or any agent of such investor—

"(1) to an individual who is an official of a foreign government or instrumentality thereof for the purpose of inducing such individual to use his influence within such foreign government or instrumentality to affect any decision or other action of such foreign government or instrumentality with respect to a project of such investor for which insurance or reinsurance is issued under this title;

"(2) to any person if such investor or agent knows or has reason to know that all or a portion of such moneys or thing of value will be offered, given, or promised, directly or indirectly, to any individual who is an official of a foreign government or instrumentality thereof for the purpose of inducing such individual to use his influence within such foreign government or instrumentality to affect any decision or other action of such foreign government or instrumentality with respect to a project of such investor for which insurance or reinsurance is issued under this title; or

"(3) to any foreign political party or official thereof or any candidate for foreign political office for the purpose of inducing such party, official, or candidate to use his or its influence with a foreign government or instrumentality with respect to a project of such investor for which insurance or reinsurance is issued under this title.".

GENERAL PROVISIONS AND POWERS

SEC. 7. Section 239 of the Foreign Assistance Act of 1961 is amended—

(1) by striking out the second paragraph of subsection (b); and

(2) by inserting in subsection (d) immediately after "section 231(c)" the following: "or participation certificates as evidence of indebtedness held by the Corporation in connection with settlement of claims under section 237(i)".

REPORTS TO THE CONGRESS

SEC. 8. Section 240A of the Foreign Assistance Act of 1961 is amended—

(1) by inserting before the period at the end of subsection (a) a comma and the following: "including an assessment of th economic and social development impact and benefits of such operations, and the extent to which such operations complement or are compatible with the development assistance programs of the United States and other donors"; and

(2) by amending subsection (b) to read as follows:

"(b) Not later than December 31, 1980, the Corporation shall prepare and submit to the Congress a report on the development of private and multilateral programs for investment insurance and any participation arrangements the Corporation has made with private insurance companies, multilateral organizations and institutions, or other entities.".

Mr. ROBERT C. BYRD. Mr. President, there will be, I assume, rollcall votes yet today on this measure. It is under a time limitation of 2 hours on the bill, I believe, I believe, 30 minutes on any amendment, and the time on the bill is to be divided between Mr. SPARKMAN and Mr. CASE.

The Senate will resume consideration on tomorrow of H.R. 5263, the unfinished business.

ORDER FOR RECESS 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 recess until 9:30 a.m. tomorrow.

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

ORDER FOR CONSIDERATION TOMORROW OF H.R. 5263

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, after the two leaders have been recognized under the standing order and any Senators have been recognized under orders previously entered for tomorrow, the Senate resume consideration of the unfinished business, H.R. 5263.

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

ORDER FOR RECOGNITION OF MR. ALLEN ON WEDNESDAY, THURSDAY, AND FRIDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, Thursday and Friday, after the two leaders or their designees have been recognized under the standing order, Mr. ALLEN be recognized for 15 minutes, each day.

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

OVERSEAS PRIVATE INVESTMENT CORPORATION AMENDMENTS ACT OF 1977

The Senate proceeded with the consideration of S. 1771.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Norville Jones and Frank Ballance, of the Foreign Relations Committee, have the privilege of the floor during the remainder of this afternoon.

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

Mr. JAVITS. Mr. President, I ask unanimous consent that Jack Gorlin, of my staff, have the privilege of the floor during the consideration of this measure.

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

Who yields time?

Mr. JAVITS. Mr. President, will the Senator from Alabama yield to me momentarily?

Mr. SPARKMAN. I yield. I am not ready at this moment to proceed, but if the Senator has a statement he wishes to make, he may proceed.

Mr. JAVITS. Mr. President, in view of the fact that Members who are interested in this matter have not been advised, with very much lead time, I ask unanimous consent that I may suggest the absence of a quorum, without the time being charged to either side.

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

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

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. SPARKMAN. 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. SPARKMAN. Mr. President, This bill, S. 1771, would extend the basic operating authority of the Overseas Private Investment Corporation (OPIC) until September 30, 1981. The committee held several days of hearings on OPIC recently and reported out the bill by a vote of 10 to 4 on October 11.

The Overseas Private Investment Corporation, a wholly owned U.S. Government corporation created by Congress in 1969 is the agency by which the U.S. Government insures U.S. investments in developing countries against the risks of expropriation, inconvertibility, and war, and provides limited amounts of development financing through guaranteed private lending by U.S. institutions and through its own direct investment fund. In 1974 OPIC's basic authority was extended for 3 years and will expire on December 31, 1977. Therefore, it is essential that Congress act on this bill prior to the end of the session.

In the 1974 legislation Congress laid down a mandate for OPIC to increase private participation in its investment insurance program, with a requirement that OPIC withdraw entirely as the direct writer and manager of expropriation and inconvertibility insurance by the end of 1979 and of war risk by the end of 1980. Thereafter, OPIC would act solely as a reinsurer.

For a variety of reasons including the unwillingness of the private insurance companies of the United States to assume the full burden of underwriting such insurance in the developing countries, it has become clear that OPIC cannot meet this legislative requirement. Furthermore, there is evidence that the requirement to turn over the direct underwriting functions to the private sector has undercut OPIC's developmental mandate. The committee was clearly of the mind that OPIC's primary function should be developmental and has rewritten the purposes section of the bill to reflect that primary goal. The committee also determined that the privatization effort would not work in the given time period and recommends to the Senate that the privatization mandate be rewritten to urge privatization effort without time deadlines. I think that this has been a wise course of action and I urge my colleagues to support the action of the committee.

Mr. JAVITS. Mr. President, with the permission of the Senator from Alabama, if he would be kind enough to yield to me 10 minutes on the bill, I would like to make a statement.

Mr. SPARKMAN. Mr. President, I yield 10 minutes to the Senator from New York.

The PRESIDING OFFICER. The Senator from New York is recognized for 10 minutes.

Mr. JAVITS. Mr. President, the purpose of this bill is to extend the mandate of the Overseas Private Investment Corporation, which now has been in operation since 1971, until September 30, 1981, to wit, a 4-year extension.

The other purpose of this bill is to strip from the present legislation certain mandatory requirements that OPIC transfer its insurance operations to private insurance companies on the ground that they simply have not worked and been feasible; it is simply impossible to carry out those reinsurance mandates which were contained in the previous legislation.

Second, Mr. President, the developmental impact of OPIC will be materially improved by the new set of policies which the OPIC Board has adopted. I would like to add that the OPIC Board of Directors is senatorially confirmed and is really quasi-governmental. These new policies will make the principal activities of OPIC directed toward countries which have a per capita income at or below the poverty level, which now stands in international terms at $520 a year.

A third purpose of the bill is to do away with various limitations which OPIC now has with respect to the financing of nonfuel—I emphasize nonfuel—mineral surveys and operations by U.S. enterprises in foreign countries. The prohibition still remains as to fuels of all kinds.

Last, of course, it is to extend the period of OPIC's authority for the 4 years which I have already mentioned.

There are also some minor changes in the bill relating to the definition of a small business, certain adjustments in the insured dollar value of loans, and a very interesting provision respecting bribery which was authored by Congressman SOLARZ in the other body. This provision would prohibit recovery under any guarantee or insurance made by OPIC where there is bribery involved in

the insured or guaranteed project. That is the House provision.

The change made by the Senate is that this provision shall be superseded by generalized Federal legislation which is under consideration which makes it a criminal offense to engage in that kind of bribery. The protections respecting the preemption of this particular provision by subsequent law relate solely to the stronger subsequent law, to wit, the law which contains criminal penalties.

There is no expansion, Mr. President, of the authority of the guaranteeing or insurance or investment authority of OPIC. The insurance authority remains at the ceiling figure of some $7.5 billion, of which about $2.9 billion is today covered by insurance contracts.

The guaranty figure which relates to direct investment guarantees is at $750 million, which is the figure fixed when it was first put into effect, and the direct investment fund remains at $50 million. So there is no expansion whatever of these respective authorities and the financial limitations which back them up.

Finally, Mr. President, I think it is very important for Members to note that here is one enterprise that makes money.

No appropriation is requested and thus there is no drain sought on the Treasury of the United States. From 1971 to 1977, 6 years, OPIC's earnings have exceeded $328 million against $53 million in operating expenses and net claims payments of $108 million. The reserves which have been established against future claims now amount to $325 million as of September 30. 1977. OPIC's annual net income has risen from $21 million in 1970 to $49 million for the period ending June 30, 1977, an increase of 133 percent.

Mr. President, when the matter was last up in 1974, there was very grave concern that OPIC would find its financial situation very badly compromised by the fact that it had guaranteed a good many investments of copper companies in Chile, and it will be recalled that there was expropriation by the Allende government of those properties in Chile, which led to grave concern as to what would occur.

Well, it is very instructive in terms of the validity of this operation that what occurred was that it was possible to work out the compensation for the expropriation on the part of the Government of Chile in such a way that the resources of OPIC were fully able to meet the claims. In fact, OPIC's overall insurance claims payments, net of recovery, came to $108 million, according to OPIC's analysis, and in addition, even though that figure of insurance payments is shown, OPIC recouped assets as a result of those payments, primarily government notes of Chile.

Hence, Mr. President, the final result finds that the total insurance reserves of $224 million of OPIC, exceed far and above the actual realized loss.

Mr. President, the need for OPIC arises out of the fact that we are engaged in the foreign aid business to the tune of $5 billion or $6 billion a year. The policy of the United States on that score has been laid down since 1948, in the Marshall Plan, and has altogether been a very constructive policy. Indeed, this insurance of investments which OPIC makes dates from 1948. I was myself in the House of Representatives when, with John Vorys of Ohio, one of our very celebrated predecessors, we developed and wrote into the law the investment guarantee provision.

Indeed, about half of the insurance carried by this corporation predates the organization of the corporation, going back many years. So this is a very basic and established policy of the United States, which has been an element of the foreign aid of the United States for all that time. It seems to me that it has withstood, and withstood very successfully, the vicissitudes of time.

Mr. President, OPIC has grown and become over the years the essential element encouraging private enterprise and private enterprise developments supplementing the foreign aid program of the United States. I have served here and in the other body for a long time, and I have lived through many debates on foreign aid. It is always violently attacked, and there is always a new reason for attacking it. Nowadays it is the export of jobs, and I will address myself to that in a minute in terms of OPIC, which is actually a great contributor to jobs and to business done in the United States in terms of hard exports.

The fact is, Mr. President, that no one ever stops to examine, except those who do the voting, the alternatives to it. We have taken a national decision, sustained time and time again by the House of Representatives and the Senate, that this is an indispensable element of the operation of every country on earth.

The PRESIDING OFFICER. The 10 minutes of the Senator from New York have expired.

Mr. JAVITS. May I have another 3 minutes?

Mr. SPARKMAN. I yield the Senator 4 minutes.

The PRESIDING OFFICER. The Senator from New York is recognized for 4 minutes.

Mr. JAVITS. OPIC, over the years, has demonstrated that it has given a quality of aid which is most constructive, by teaching people how to help themselves, through exports of American technology, one of the most fruitful exports in all the world, and through encouraging the kind of productivity and productive business which is good for the American economy and the economies of the developing countries.

The arguments have been made—and there are "Dear Colleague" letters from a number of Senators and Senators CHURCH and CASE, who have indicated their opposition to this particular bill; an opposition which, by the way, has been traditional, and is based upon the fact, first, that OPIC does not represent an economic benefit to the United States, and second, that it helps essentially big companies.

Aside from the fact that we are very carefully orienting OPIC to small and medium business in this particular extension to the board is already resolved to concentrating on small business, which, I think, will go a long way toward helping in that regard. The fact is that we are continuing the guarantees of investment because we want the end product, to wit, development in the developing countries. In response to the argument that, "Well, you are making guarantees for big companies," I say if those big companies are actually engaged in the desirable development process, in the interests of the United States, then we ought to be glad they are around to do it, and we should not be parochial and say, "Well, we do not want to help in that process because it is being done by a major American company."

As I emphasized, Mr. President, this operation is not only self-sustaining, but makes a profit. May I point out, too, that there is a lot of competition. The United Kingdom, Germany, Japan, and France all have agencies of this very kind—proceeding, incidentally, on much more liberal concessional terms than we allow OPIC to proceed—in order to help them develop their essential export business.

The export business here is very, very high. It is estimated that 38,000 jobs are attributable to the business which is generated by the operations of the Overseas Private Investment Corporation; and I might say, noting the presence in the Chamber of the Senator from Georgia (Mr. TALMADGE), that it occupies a very important place in the whole agribusiness field, which we all appreciate. I understand, certainly, though I am a city dweller, the fantastic importance to the United States, especially with our present balance of payments difficulties due to our problems with OPEC—not to be confused with OPIC—and with our balance of payments, of the fantastic ability of the American farmer to raise food and fiber, for which there is such a fantastic export market.

Mr. TALMADGE. Mr. President, will the Senator yield on that point?

Mr. JAVITS. I yield.

Mr. TALMADGE. The Senator is entirely correct. Our trade in agricultural exports totals about $12 billion a year.

Mr. JAVITS. Exactly true; and when you realize that we are hemorrhaging to the tune of $25 billion to $30 billion because of the uneconomic price that we are paying for oil, the importance looms even larger.

Mr. President, since 1948 this program has been shown to be capable of economic soundness. In fact, it makes money; it is not the taxpayers' money which is involved. It facilitates trade. Its endorsement by the General Accounting Office, the American Bar Association, and other organizations would not take place if it were not for the soundness of this bill.

So far as the question of reinsurance is concerned, reinsurance is just not available, and if we insist on it all we are doing is curtailing enormous benefits to our own country in terms of employment and business.

Finally, Mr. President, it has been properly said that the business of the United States is business, and here is an area in which the private enterprise system, in terms of its societal impact, and

vesting in the less developed countries. I remember I was handling a bill here on the floor of the Senate, I believe back in the days of the good neighbor policy, when we were debating U.S. aid programs to Latin America. At that time the Senator from New York offered an amendment, and I remember it was a very lengthy amendment. Finally, when he finished reading it, I said, "If the Senator will take just the first paragraph that he read, or the first 10 lines, whatever it is, I am willing to accept it."

He readily said that was acceptable to him. That is how OPIC was originally written into law.

I have been impressed with the management of OPIC, the way it has been handled, the fact that it has earned money, and has not been a burden upon the Federal Government.

I ask unanimous consent that a factsheet on OPIC's record be placed in the RECORD.

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

OVERSEAS PRIVATE INVESTMENT CORPORATION

Legislation: S. 1771, to extend and modify OPIC's basic authorities, has been reported favorably by the Foreign Relations Committee and should reach the Senate floor shortly.

OPIC's Programs: OPIC is a self-sustaining U.S. Government agency that selectively insures and in some cases finances private U.S. investment projects in less developed countries ("LDCs"). Projects supported by OPIC benefit both the host country's development and the U.S. economy. OPIC insures against expropriation, inconvertibility of currency and loss due to war, revolution and insurrection.

OPIC also provides partial financing of private enterprise projects when adequate financing on appropriate terms is not available through commercial sources. As provided by Congress in 1974, OPIC has initiated investment identification and counseling services primarily to enhance interest in the lower income LDCs and to help smaller U.S. companies and those inexperienced in overseas operations.

OPIC's Development Role. OPIC encourages those private U.S. investments that will complement our government-to-government economic assistance by providing productive capital, managerial and technical expertise, and training in industrial skills. Over the last 3 fiscal years, OPIC assisted 425 projects in 55 countries, representing $4.6 billion in total investment. Estimated host country benefits for the first 5 years of operations of these projects include net foreign exchange gains of $1.3 billion, net fiscal revenues of $198 million and 149,000 new jobs.

OPIC insurance and finance make a potential project in the unstable political and economic environment of an LDC financially competitive with an alternate investment in a developed country. OPIC's participation lends stability to investment arrangements and—as shown by OPIC's claims record—reduces the likelihood of intergovernmental disputes over U.S. investors' rights.

U.S. Economic Benefits: OPIC rejects "runaway plant" projects and others that are likely to have a negative impact on U.S. employment. A representative of organized labor sits on OPIC's Board. OPIC also supports projects to develop additional sources of raw materials critical to the U.S. and world economies. Estimated 5 year benefits of projects assisted in the last 3 fiscal years include net cash inflows of $2.3 billion and a net gain of some 37,500 man hours of U.S. employment.

OPIC's Cost: OPIC is self-sustaining and is not seeking any appropriations. OPIC charges substantial fees for its services and follows prudent underwriting and lending policies. Insurance fees for combined coverage vary from 1.5 percent to 3 percent per annum (about triple the fees charged by the German, Japanese and French agencies). Since FY 1971, when OPIC began operations, it has earned $328 million in revenues, operating expenses have been $53 million and net insurance claims payments have been $108 million. Insurance reserves have grown 315 percent, now standing at $229 million, and appear to be sufficient to preclude any future request for appropriations.

Countries Assisted: OPIC services are available to U.S. investors in 80 friendly less-developed countries. Since 1974 OPIC has given preferential consideration to projects in the lower income of these countries (less than $450 per capita income). OPIC in 1975 restricted its operations in the developed areas of Brazil. The Carter Administration has further restricted OPIC services in higher income LDCs (over $1000 per capita income), with exceptions for mineral and energy projects, those sponsored by U.S. small businesses and cooperatives, and exceptionally developmental projects.

OPIC Users: Since 90 to 95 percent of all U.S. investment overseas is made by *Fortune* 500-sized companies, these are the primary users of OPIC's insurance. Some very large companies, such as Exxon, GM or IBM are able to self-insure, but most companies require insurance to offset the risks peculiar to investment in LDC's. No individual investor may hold more than 10 percent of OPIC's insurance. Presently, the largest users of OPIC insurance are Dow Chemical Company (3.6 percent of the total), Kaiser Aluminum & Chemical (3 percent) and Reynolds Metals (2.5 percent). The remaining 90.9 percent of the outstanding insurance is held by 455 investors of all sizes.

OPIC gives preferential consideration to projects sponsored by small businesses and companies lacking significant experience overseas. Almost two-thirds of OPIC financing goes to projects sponsored by such companies.

New Directions: The Administration is focusing OPIC's developmental emphasis on minerals, energy production in non-OPEC countries, food production and processing, and a wider range of projects in the lowest income countries.

S. 1771 extends OPIC's insurance and loan guaranty authorities for 4 years; eliminates legislative requirements that OPIC seek to transfer its insurance operations to the private sector; strengthens OPIC's developmental mandate; and bars payment of insurance claims in cases where the insured investor is found by a U.S. court or agency to have committed an act of bribery of a foreign official with respect to the project.

Mr. SPARKMAN. It has been a good program which the United States has sponsored through the years. I certainly think we ought to continue.

I repeat, Mr. President, I think this OPIC program has performed wonderfully well in the past, and I am confident it will continue to do so in the future.

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

The PRESIDING OFFICER. (Mr. RIEGLE). The Senator from New Jersey.

Mr. CASE. Mr. President, what is the situation as to time?

The PRESIDING OFFICER. The Senator from New Jersey has 60 minutes, and the Senator from Alabama has 37 minutes.

Mr. CASE. Mr. President, the Senator from New Jersey has been opposed to OPIC from the beginning. It was his understanding that the Senator from New York would carry the flag for this bill as far as the minority was concerned. That is why the Senator from New Jersey was not in his accustomed place. The Senator from New Jersey nevertheless feels he has some responsibility to let his colleagues know his views.

Mr. JAVITS. Will the Senator yield?

Mr. CASE. The Senator will be happy to yield.

Mr. JAVITS. Even though the Senator from New York is next in line, he is not occupying the place only because of his love and respect for the Senator from New Jersey.

Mr. CASE. There is an old saying that where the vicar sits is the head of the table. The Senator from New York will be preeminent wherever he sits.

Mr. President, OPIC came up several years ago. At that time, I think, I may have been the sole member of our committee to oppose the creation of OPIC. The midwife, or the granddaddy, whatever you want to call it, the Senator from New York, obviously had greater persuasive power and carried with him the rest of the committee. Senator CHURCH had some doubts about it, but he was persuaded to buy the proposition by an inclusion of provisions encouraging OPIC to go into partnership with private industry in insuring these risks, so far as possible.

The Senator from New Jersey at that time expressed the view that the prospect of private insurance entering this field in any substantial way was very small.

In that he was joined, and the Senator must correct himself for his earlier statement that he had no company at that time. The Senator from Missouri, I believe, Senator SYMINGTON, was one of those who expressed not only doubt but conviction that private companies should not get into this kind of risky business. He stated in substance, and I concurred and still concur, that any private insurance company that would go into the business of insuring this kind of risk was one that he did not want to have anything to do with as far as either investment or carrying his own insurance was concerned.

In any event, OPIC itself has come to believe that private insurance does not have any business in this field. In the extension which is contemplated by the pending bill, OPIC will no longer solicit a partnership with private insurance and agrees that it has no place in the insurance of the kinds of risk that OPIC is scheduled to take.

Senator CHURCH has now joined the ranks, still very small, of those on the committee who oppose this proposition, but he is now a true convert and, as such, even more fervent, perhaps, than some of the older members of the small group. He and I circulated a letter to our colleagues in this body on the proposition, and I ask unanimous consent, Mr. President, to have a copy of that letter printed in the RECORD at this point in my remarks.

There being no objection, the letter

was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., October 18, 1977.

DEAR COLLEAGUE: The Congress is once again being asked to extend the legislative authority for the Overseas Private Investment Corporation (OPIC), the Federal agency which provides political risk insurance for direct U.S. private investment in foreign lands.

In 1973, the Committee on Foreign Relations Subcommittee on Multinational Corporations held extensive hearings on the Overseas Private Investment Corporation (OPIC). After carefully considering its original purpose and the results of the program, the Subcommittee questioned the need or justification for continued government participation. Senator Case, the then ranking minority member of the Subcommittee, favored immediate termination of OPIC. A majority of the Subcommittee agreed instead that an effort should be made to transfer OPIC's functions to the private insurance industry and to gradually phase out the government's participation. According to a recent study by the Government Accounting Office, the privatization effort has so far been a failure, and the GAO doubts that the goal of privatization can ever be achieved

The GAO report states, further, that OPIC has made little progress in correcting other weaknesses in the program, particularly the high concentration of insurance in a few countries, and the dominant role of Fortune 500 companies in the program. For example, over 65 percent of the OPIC insurance portfolio is concentrated in only seven developing countries, most of which would be perfectly able to attract private capital on their own without OPIC. Brazil alone accounted for over 20 percent of all OPIC insurance issued in the last three years. And approximately 90 percent of OPIC's total coverage is held by the 100 largest American corporations, while 41 percent of all OPIC insurance issued between 1974 and 1976 has gone to eleven of the largest U.S. multinational corporations.

For these reasons alone, we should refuse to support a continuation of OPIC.

But our most serious objection concerns the basic assumption underlying the creation of the program to begin with; that is, that a massive transfer of private direct investment capital from industrial to developing nations is an effective means of promoting healthy economic growth in the Third World. After having spent many years on the Foreign Relations Committee, we have come to doubt the validity of this assumption.

Puerto Rico is a case in point. American corporations have poured $5.5 billion in investments into this island economy of 3 million people. Puerto Rico was to be a Western Hemisphere showcase for what private capital could do for an underdeveloped country. And it is true that Puerto Rico has enjoyed a high growth rate as measured by its GNP. But the pattern of economic growth that has resulted from these investments has left the Puerto Rican economy totally dependent on exports to maintain employment, and equally dependent on imports to meet even the most basic needs of its own people. For example, 60 percent of the island's arable land now lies unused while it imports $800 million a year in food from the mainland.

A startling three-fifths of the island's population is on food stamps! The unemployment rate is somewhere between 20 percent and 30 percent—despite the fact that almost 2 million Puerto Ricans, or 40 percent of the entire population, have fled the island and come to the United States.

As for the types of investment promoted by OPIC, the Subcommittee on MNC's concluded in its 1973 report, that "The Investment guarantee program administered by OPIC is, at best, only a marginal contributor to the development of the poorer countries."

A brief look at some of the projects insured by OPIC since 1973, suggests that there has been little improvement on this score. The following are some of the projects insured by OPIC in the last three years:

ITT and TWA safari lodges in Kenya.

Ralston Purina fast food chains in Brazil.

Avis Rent-a-Car rental and chauffeur services in Malaysia and Singapore.

Pan Am Intercontinental hotels in Liberia, Kenya, Indonesia, and the Ivory Coast.

ITT Sheraton hotels in India, Brazil, and Tunisia.

Art galleries, plush hotels, and secretarial schools in Haiti.

Gulf and Western hotels in the Dominican Republic.

It is hard to see how projects of this type contribute significantly to the kind of economic growth that will eventually enable recipient countries to meet the basic needs of their own people.

The cost to the U.S. economy, on the other hand, of programs like OPIC, which encourage American firms to invest abroad, is clear. The U.S. loses an estimated 150,000 jobs per year as a result of direct foreign investment by U.S. firms. One reads almost daily of American companies cutting back their U.S.-based production and going abroad to take advantage of cheaper labor. For example, Zenith Co. recently announced that it was laying off 5,000 workers in the U.S.—almost one-fourth of its work force. According to an October 10 article in the Washington Post, much of the work will be done in $1-an-hour jobs in Mexico instead. Likewise, much of the U.S. semiconductor industry has shifted to Taiwan and Korea, with many plants being insured by OPIC. We now appear to be on the brink of losing large chunks of the U.S. steel industry to foreign production. If the productive base of an industry as important as steel moves abroad, the U.S. stands to lose not only jobs, but economic power as well.

Moreover, U.S. labor is put at a competitive disadvantage by the repressive labor laws in force in many of the developing countries most favored by U.S. investors. All six countries which have received the most OPIC insurance since 1974, have authoritarian regimes which deny many basic trade union freedoms. Granting special incentives to our largest companies to invest in such countries, at the cost of closing down manufacturing plants here at home, can no longer be justified as a Federal program which serves the needs of the American people.

In sum, the value of OPIC, either to the people of developing countries, or to U.S. foreign policy objectives, remains unproved, while its cost to our domestic economy is brutally apparent.

We strongly urge that you vote no on S. 1771, which would extend OPIC's authorization for another 4 years.

FRANK CHURCH.
CLIFFORD CASE.

Mr. CASE. Our views on the matter are contained in the very short couple of pages appended to the report of the committee. I should like, if I may, to have those views, so that this matter may be put in one place, follow in the RECORD. I ask unanimous consent to have that done.

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

MINORITY VIEWS OF SENATOR FRANK CHURCH AND SENATOR CLIFFORD P. CASE

In 1973 the Committee on Foreign Relations Subcommittee on Multinational Corporations held extensive hearings on the Overseas Private Investment Corporation (OPIC). After carefully considering the original purposes and the results of the program, the subcommittee concluded that:

"The investment guarantee program administered by OPIC is, at best, only a marginal contributor to the development of the poorer countries of the world and OPIC is only a marginal stimulus to private investment in less developed countries.

"The program, as presently conceived, tends to increase the likelihood of U.S. Government involvement in the internal politics of other countries in connection with the property interests of United States corporations.

"The program, as presently administered by OPIC, and previously by its predecessors, AID, has inherent within it a conflict between the achievement of public policy and management by sound insurance principles. The result has been a large and unsatisfactory exposure of good faith and credit of the U.S. Government.

The subcommittee was also extremely critical of the fact that 79 percent of all insurance issued by OPIC went to the largest multinational corporations, and that the coverage was highly concentrated in a few higher income developing countries.

After the most recent committee review of OPIC, we have concluded that the criticisms of the program made in 1973 are as valid today as they were then. For example, as of November 30, 1976, the top 100 U.S. companies had about 90 percent of total coverage, and seven countries accounted for over 65 percent of the OPIC insurance portfolio. Brazil alone has received approximately 20 percent of all the insurance written by OPIC in the past 3 years. Supporters of the program argue that recent changes in OPIC regulations will correct these weaknesses. But that is what the Congress was told in 1973, yet no substantial changes occurred.

And even if these weaknesses were successfully eliminated, it would not alter the fact that the basic assumption on which the OPIC program rests is not valid: there is simply no convincing evidence that the type of investment which OPIC insures contributes significantly to balance economic growth in developing countries. The value of the OPIC program from a foreign policy perspective is therefore unproven after 8 years.

The cost to the U.S. economy, however, of programs like OPIC, which encourage Americans first to invest abroad, is clear. The United States loses an estimated 150,000 jobs per year as a result of direct foreign investment by U.S. firms. Unless this cost of foreign investment is outweighed by some compelling foreign policy interest, there can be no justification for the continuation of OPIC.

In 1973, a majority of the subcommittee favored transferring OPIC functions to the private insurance industry and gradually phasing out the Government's participation, although Senator Case favored immediate termination. Since then, efforts to replace the Government's role with private insurance companies failed and it seems unlikely that such an effort will succeed in the future. Therefore, we believe that the best course is to terminate OPIC altogether when its present authorization expires.

Mr. CASE. Mr. President, I see no reason to belabor this matter. Those who have made up their minds are men of strong character and strong minds and deep prejudices. They will persist in their error, I am afraid, and I have no reason to burden the body with further harangue on the matter. I do hope that, sometime, we shall come to realize that

and it would, I think, open us up to all kinds of mischief if we let this be done.

So, on that ground I strongly oppose and urge the defeat of this amendment.

Mr. JAVITS. Mr. President, will the Senator yield me 5 minutes in opposition?

Mr. SPARKMAN. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Alabama has 13 minutes remaining on this amendment.

Mr. SPARKMAN. And the Senator wants how much time?

Mr. JAVITS. Five minutes.

Mr. SPARKMAN. I yield 5 minutes. I do reserve the remaining 8 minutes for myself.

The PRESIDING OFFICER. The Senator from New York is recognized for 5 minutes on the time of the Senator from Alabama.

Mr. JAVITS. Mr. President, I first wish to express my appreciation to Senator CASE, notwithstanding his opposition to this bill, in opposing this amendment for the foreign policy reasons which he has mentioned.

Mr. President, the point simply is this: If a vote like this is taken now with respect to an item which appears within the context of the Panama Canal Treaties, it can only be taken as an indication that the Senate will in due course reject these treaties.

I said before I do not think even the most ardent opponent of the treaties should wish to do that to our country.

The fact is that we have the right to consider his carefully in the Foreign Relations Committee and in the Senate. It is one of the really great issues of our time, and to try in this peripheral way, when no obligation of any kind is involved, to get kind of a test vote on Panama I think is simply dead wrong—whether one is for or against the Panama Canal Treaties—in the interest of the Nation and because of the mischief which it can cause to us both in Panama and throughout Latin America and indeed throughout the world.

As to whether or not Congress should or not approve everything that OPIC does, the Senator is at perfect liberty to make that amendment. There is no reason for picking out at this stage Panama except as a test vote on the Panama Canal treaties, and I think that test vote is unfair at this particular stage when the matter is really in hearing and we all know it is going to take months more of debate as well as of hearings.

Finally, Mr. President, there is no reason why, when this treaty is up for consideration, a reservation cannot be offered that everything in the treaty and peripheral to the treaty shall be done with or without congressional consent or one-House or two-House vetoes, or whatever may be desired. But it seems to me, Mr. President, that to do it now in order to attain a desired result, demeans our country in terms of its objectivity and the statesmanship of the President and the Senate. It is not necessary to deal with this amendment now. It has no legal force and effect now and, indeed, by the terms of the letter itself, it will not have any even then, but it certainly is not necessary now except, as I say, as highly premature effort, to have a test vote on Panama, and I deeply believe that that is very inimical to the interests of our country.

But there is a firm majority which is private. The composition of the board is the following: There is a labor member, a small business member, a member from a cooperative—it could be a farm or a comparable cooperative—and there are three general public members. Those are the six private members. The five governmental members are the Administrator of AID, the Assistant Secretarys of the State, Commerce, and Treasury Departments, and the president of OPIC who is the Presidential appointee subject to confirmation by the Senate. So it is six and five, but the majority of six are private. This matter when it gets to the stage where OPIC had to pass on it, as it would pass on any other loan guarantee, would therefore be in the hands of a majority which is nongovernmental. Under those circumstances, it seems to me that this is not an appropriate amendment. It changes nothing that is legal. So, Mr. President, I believe, deeply believe, this is a highly improvident action to take on the part of the Senate.

The Senator is perfectly within his rights to raise it. He is deeply opposed to the treaties, and he wants to attack them at every stage that he can, and I understand that, and that is very acceptable. But to do it I think would really be a very great mistake in the national interest of the United States.

Mr. ALLEN. Mr. President, I yield myself such time as I may use.

The PRESIDING OFFICER. Will the Senator yield? I think Senator JAVITS wants to make a unanimous-consent request.

Mr. JAVITS. May I make a unanimous-consent request, Mr. President?

I ask unanimous consent that Susan Poor of Senator RIEGLE's staff have the privileges of the floor during the debate and other amendments and action on this bill.

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

The Senator from Alabama.

Mr. ALLEN. How much time remains for the Senator from Alabama?

The PRESIDING OFFICER. The Senator has 7 minutes.

Mr. ALLEN. I thank the Chair.

The distinguished Senator from New York said the amendment was offered—I believe I am quoting him correctly—by surprise really. Well, the surprise was the bringing up of this bill at all. We were considering the energy bill from the Committee on Finance. The prospects were it would be before the Senate for days, and all at once, without any notice to anybody, I assume, except possibly the managers of the bill, that matter was laid aside and this matter was brought up for the rest of the day.

So I did not know the bill was even going to come up until it was brought up, and I allowed it to come up, along with other Senators, by not interposing an objection.

But as soon as I found it was the OPIC bill I wanted to see if the Senate would not put some sort of restrictions around the making of this loan.

The Senator from New York said why not require the Congress to approve every loan. Well, this is not every loan of OPIC. This is a very peculiar loan of OPIC. This is a loan committed to by the Secretary of State, and the distinguished Senator from New York has read off the names of the board of OPIC, indicating that private individuals, not Government officials, constitute a majority of the board. It, therefore, seems to me to be bordering on effrontery for the Secretary of State to go around committing OPIC to make a $20 million loan to set up a bank in Panama. That is what it is for.

All I am asking with this amendment is that Congress have some say. Secretary Vance had his say. He says they are going to make it, and I do not know what controls he has, but I assume they are going to make it if the Secretary of State says they are going to make it. But all this amendment does is to allow the Congress to say, just like the board, the OPIC board said, and I am sure the distinguished Senator from New York does not think for one moment that Secretary Vance's commitment will not be made, this $20 million will not be loaned to this finance company—that is the name of it, National Finance Corporation of Panama—to set up a bank down there with American taxpayer's money, and the Congress not having any say whatsoever in that affair.

I think it is playing fast and loose with the Congress actually for such an agreement to be made without congressional approval. But it is all part and parcel of a plan to transmit to Panama more than $300 million without congressional approval.

It is not in the treaty. It is in the side agreements, and I do not think our officials ought to be going around the world saying, "We will have this government agency, that government agency, another government agency, make deliveries of money to you," ignoring completely the role of Congress.

That is all this does. If Congress is willing to approve the treaty I assume they would be willing to approve the loan. Well, let them say so. Give them an opportunity to say so.

Without an amendment of this sort somewhere along the line Congress has no opportunity whatsoever to act.

I do not know whether the agreements depend upon the approval of the treaty or not. Possibly they can be carried out irrespective of the approval of the treaty. There is nothing in this agreement that indicates it is subject—that has been read thus far which indicates it is subject—to approval of the treaty. Reading from it, it states:

> It is understood that the undertakings of the United States provided for herein will enter into force upon an exchange of Notes to that effect between our two governments.

So if Congress wants to abdicate its role of making appropriations and controlling the purse strings of the Nation it can do so. But I do not want to see

that happen, and that is the reason I have offered this amendment.

I ask unanimous consent to have printed in the RECORD a note regarding economic and military cooperation from the Secretary of State.

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

NOTE REGARDING ECOMOMIC AND MILITARY COOPERATION

DEPARTMENT OF STATE,
Washington.

His Excellency GABRIEL LEWIS GALINDO,
Ambassador of Panama.

EXCELLENCY: I have the honor to refer to our recent discussions concerning programs designed to enhance cooperation between the United States of America and the Republic of Panama in the economic and military spheres. As a result of these discussions, I am authorized to inform you that my government is prepared to agree, within the limitations of applicable United States legislation and subject to compliance with applicable legal requirements and, where necessary, to the availability of appropriate funds, that:

The United States Government will consider applications from the Republic of Panama for housing investment guarantees with a view to approval of specific projects with an aggregate value of not to exceed $75 million over a five year period. Approval of specific projects shall be subject to conformance with any applicable administrative and legislative criteria.

The Overseas Private Investment Corporation would guarantee borrowings of not to exceed $20 million in United States private capital by the National Finance Corporation of Panama (COFINA) for use in financing productive projects in the private sector in Panama, subject to terms and conditions as shall be agreed upon by the Overseas Private Investment Corporation and COFINA, and approved by the Overseas Private Investment Corporation's Board of Directors.

The Export-Import Bank of the United States is prepared to offer a letter of intent to provide loans, loan guarantees, and insurance, aggregating not to exceed $200 million over a five year period beginning October 1, 1977 and ending September 30, 1982, for the purpose of financing the U.S. export value of sales to Panama. Such financing shall, at the discretion of the Board of Directors of the Export-Import Bank, be in the form of loans, loan guarantees, or insurance for individual products or projects approved by such Board.

The United States Government will issue repayment guarantees under its foreign military sales program in order to facilitate the extension of loans to the Government of Panama by eligible lenders for the purpose of financing the purchase by the Government of Panama of defense articles and defense services. The aggregate principal amount of loans guaranteed by the United States Government in accordance with this paragraph shall not exceed $50 million over a ten year period.

It is understood that the undertakings of the United States provided for herein will enter into force upon an exchange of Notes to that effect between our two governments.

Accept Excellency, the renewed assurance of my highest consideration.

CYRUS VANCE.

Mr. DOLE. Mr. President, the administration has committed itself, under the Panama Canal Treaty provisions, to give Panama a large share of future canal tolls—about $80 million a year, by most estimates, and well over $2 billion by the year 2000.

This is a generous portion, from anyone's perspective. Yet, in addition, the administration promised its "best efforts" to provide Panama with an additional $345 million in loans and loan guarantees through OPIC and the Eximbank, after the treaties are ratified. I understand the "commitment" from OPIC was to amount to $20 million.

Like the Senator from Alabama, I believe Congress needs to assert some influence in the matter. The administration did not consult with Congress before making the aid pledge to Panama. Consequently, Congress should play a direct role in authorizing any payments to the Torrijos regime. Otherwise, a significant aspect of the canal treaty agreement escapes congressional oversight altogether

Mr. President, I support the amendment of the distinguished Senator from Alabama, and urge its adoption during our consideration of the Overseas Private Investment Corporation Act of 1977.

Mr. ALLEN. Mr. President, I call for the yeas and nays, and I reserve the remainder of my time.

The PRESIDING OFFICER. Is there a sufficient second? The Chair is advised there is not a sufficient second.

Who yields time?

Mr. SPARKMAN. Do I understand I have 8 minutes?

The PRESIDING OFFICER. The Senator is correct, he has 8 minutes.

Mr. SPARKMAN. Mr. President, I yield myself 5 minutes.

I just cannot go along with the idea that my colleague, the Senator from Alabama, has. This is not the proper time to consider his amendment; it is premature.

Let me say this: Remember the House of Representatives has to join in this implementing legislation for the Panama Canal treaties, and, as I understand my colleague's amendment, he ties it in with the treaties.

Now, it just makes it difficult for me to go along with that, and I cannot feel that my colleague is right in his contention.

Mr. ALLEN. Mr. President, I call for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? The Chair is advised there is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Senator from Alabama yields back his time?

Mr. JAVITS. Mr. President, I move to table the amendment.

Mr. ALLEN. I call for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment of the Senator from Alabama (Mr. ALLEN). The yeas and nays were ordered, and the clerk will call the roll.

The legislative clerk called the roll.

(Mr. MATSUNAGA assumed the Chair.)

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Idaho (Mr. CHURCH), the Senator from Minnesota (Mr. HUMPHREY), the Senator from Arkansas (Mr. MCCLELLAN), the Senator from South Dakota (Mr. MCGOVERN), the Senator from Montana (Mr. METCALF), and the Senator from New York (Mr. MOYNIHAN) are necessarily absent.

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

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

I further announce that, if present and voting, the Senator from Minnesota (Mr. HUMPHREY) would vote "yea."

Mr. STEVENS. I announce that the Senator from Oklahoma (Mr. BARTLETT), the Senator from Arizona (Mr. GOLDWATER), the Senator from Michigan (Mr. GRIFFIN), the Senator from Pennsylvania (Mr. HEINZ), the Senator from Idaho (Mr. MCCLURE), the Senator from Kansas (Mr. PEARSON), the Senator from Delaware (Mr. ROTH), the Senator from Connecticut (Mr. WEICKER), and the Senator from North Dakota (Mr. YOUNG) are necessarily absent.

The result was announced—yeas 69, nays 13, as follows:

[Rollcall Vote No. 576 Leg.]

YEAS—69

Anderson	Glenn	Morgan
Baker	Gravel	Nelson
Bayh	Hansen	Nunn
Bellmon	Hart	Packwood
Bentsen	Haskell	Pell
Biden	Hatfield	Percy
Brooke	Hathaway	Proxmire
Bumpers	Hayakawa	Randolph
Burdick	Hollings	Ribicoff
Byrd, Robert C.	Huddleston	Riegle
Cannon	Inouye	Sarbanes
Case	Jackson	Sasser
Chafee	Javits	Schmitt
Chiles	Johnston	Schweiker
Clark	Kennedy	Sparkman
Cranston	Long	Stafford
Culver	Lugar	Stevens
Danforth	Magnuson	Stevenson
DeConcini	Mathias	Stone
Durkin	Matsunaga	Talmadge
Eagleton	McIntyre	Thurmond
Ford	Melcher	Wallop
Garn	Metzenbaum	Williams

NAYS—13

Allen	Domenici	Scott
Byrd, Harry F., Jr.	Eastland	Stennis
Curtis	Hatch	Tower
Dole	Helms	Zorinsky
	Laxalt	

NOT VOTING—18

Abourezk	Humphrey	Moynihan
Bartlett	Leahy	Muskie
Church	McClellan	Pearson
Goldwater	McClure	Roth
Griffin	McGovern	Weicker
Heinz	Metcalf	Young

So the motion to lay Mr. ALLEN'S amendment on the table was agreed to.

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the motion to lay on the table was agreed to.

Mr. SPARKMAN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Are there further amendments? The bill is open to further amendment.

Mr. JAVITS. Mr. President, we are

(2) by amending subsection (b) to read as follows:

"(b) Not later than December 31, 1980, the Corporation shall prepare and submit to the Congress a report on the development of private and multilateral programs for investment insurance and any participation arrangements the Corporation has made with private insurance companies, multilateral organizations and institutions, or other entities.".

The title was amended so as to read:

A bill to amend certain provisions of the Foreign Assistance Act of 1961 relating to the Overseas Private Investment Corporation.

Mr. SPARKMAN. Mr. President, I move to reconsider the vote by which the bill was passed.

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

The motion to lay on the table was agreed to.

Mr. JAVITS. Mr. President, may I be recognized for a moment?

The PRESIDING OFFICER. The Senator from New York.

Mr. JAVITS. Mr. President, I wish to thank Senator SPARKMAN for taking the personal trouble to manage this bill on the floor. I deeply feel that this is a very important measure for our country and I am sure that many of the votes which are counted in his favor are a tribute to the confidence which the Senate and Senators have in Senator SPARKMAN.

Mr. President, I would also like to thank Frank Ballance, who is new to the subcommittee which developed this bill, for his work, and Norvill Jones, our chief of staff, and Jacques Gorlin, of my own staff, for their work on the bill.

Mr. SPARKMAN. Mr. President, I thank the Senator from New York for what he has said, and I join him in thanking all those who worked on this measure. It was not an easy measure to work out. I feel gratified that it did come out so well, and I believe it is for the good of the country.

ORDER OF BUSINESS

The PRESIDING OFFICER. Does the Senator from Alaska seek recognition?

Mr. STEVENS. I thank the Chair, but no. I await the desires of the majority leader.

Mr. ROBERT C. BYRD. I thank the Senator from Alaska, the acting Republican leader.

MARJORIE IVERSON, EUGENE BERGSTROM, LORRAINE POWERS, ROBERT BERGSTROM, PATRICIA HURT, HARRIETT McCOLLUM, BARBARA HICKMAN, AND MARILYN FERNANDES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 463.

The PRESIDING OFFICER. The resolution will be stated by title.

The legislative clerk read as follows:

A resolution (S. Res. 296) to pay a gratuity to Marjorie Iverson; Eugene Bergstrom; Jack Bergstrom; Lorraine Powers; Robert Bergstrom; Patricia Hurt; Harriett McCollum; Barbara Hickman; and Marilyn Fernandes.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the resolution was considered and agreed to, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Marjorie Iverson; Eugene Bergstrom; Jack Bergstrom; Lorraine Powers; Robert Bergstrom; Patricia Hurt; Harriett McCollum; Barbara Hickman; and Marilyn Fernandes, brothers and sisters of Charles W. Bergstrom, an employee of the Senate at the time of his death, a sum to each equal to one-ninth of 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.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

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

The motion to lay on the table was agreed to.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

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

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a brief period for the transaction of routine morning business.

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. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

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

APPROVAL OF BILLS

A message from the President of the United States announced that he had approved and signed the following bills:

On October 19, 1977:

S. 2089. An act to establish within the Department of Justice the position of Associate Attorney General.

On October 21, 1977:

S. 1372. An act to amend title 10, United States Code, to abolish one of the top positions of Deputy Secretary of Defense and establish the position of Under Secretary of Defense for Policy and to change the title of the Director of Defense Research and Engineering to the Under Secretary of Defense for Research and Engineering.

MESSAGES FROM THE HOUSE

At 8:34 a.m., a message from the House of Representatives by Mr. Hackney, one of its clerks, announced that the House disagrees to the amendment of the Senate to the amendment of the House to the amendment of the Senate to the bill (H.R. 6010) to amend title XIII of the Federal Aviation Act of 1958 to expand the types of risks which the Secretary of Transportation may insure or reinsure, and for other purposes; requests a conference with the Senate on the disagreeing votes of the two Houses thereon; and that Mr. JOHNSON of California, Mr. ANDERSON of California, Mr. RONCALIO Mr. HARSHA, and Mr. SNYDER were appointed managers of the conference on the part of the House.

ENROLLED BILLS SIGNED

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

H.R. 2817. An act to provide for certain additions to the Tinicum National Environmental Center.

H.R. 3744. An act to amend the Fair Labor Standards Act of 1938 to increase the minimum wage rate under that Act, and for other purposes.

H.R. 7797. An act making appropriations for Foreign Assistance and related programs for the fiscal year ending September 30, 1978, and for other purposes.

The enrolled bills were subsequently signed by the Acting President pro tempore (Mr. DECONCINI).

ENROLLED BILLS SIGNED

At 12:48 p.m., a message from the House of Representatives delivered by Mr. Hackney announced that the Speaker has signed the following enrolled bills:

S. 1811. An act to authorize appropriations to the Energy Research and Development Administration in accordance with section 261 of the Atomic Energy Act of 1954, as amended, section 305 of the Energy Reorganization Act of 1974, and section 16 of the Federal Nonnuclear Energy Research and Development Act of 1974, as amended, and for other purposes.

H.R. 4297. An act to amend the Marine Protection, Research, and Sanctuaries Act of 1972 to authorize appropriations to carry out the provisions of such Act for fiscal year 1978.

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

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The PRESIDING OFFICER laid before the Senate the following communications which were referred as indicated.

EC-2192. A letter from the Assistant Secretary of Defense transmitting, pursuant to law, notice that transfers of amounts appropriated to the Department of Defense have been made pursuant to the authority granted to the Secretary of Defense in section 733; to the Committee on Appropriations.

EC-2193. A letter from the Vice President for Government Affairs of the National Rail-

road Passenger Corporation transmitting, pursuant to law, a report on the average number of passengers and onetime performance per train for the month of May, 1977 (with an accompanying report); to the Committee on Commerce, Science, and Transportation.

EC-2194. A letter from the Acting Assistant Secretary of the Army, Civil Works, transmitting, pursuant to law, the annual report on the administration of title I of the Marine Protection Research, and Sanctuaries Act of 1972 for the calendar year 1976 (with an accompanying report); to the Committee on Environment and Public Works.

EC-2195. A letter from the Secretary of Housing and Urban Development transmitting, pursuant to law, a report entitled "Building Energy Conservation Programs—A Preliminary Examination of Regulatory Activities at the State Level" (with accompanying reports); to the Committee on Energy and Natural Resources.

EC-2196. A letter from the Secretary of the Treasury transmitting, pursuant to law, a report entitled "Antirecession Fiscal Assistance to State and Local Governments", containing information on the amounts which have been paid to each State and local unit of government (with an accompanying report); to the Committee on Finance.

EC-2197. A letter from the Associate Administrator for Administration for the National Highway Traffic Safety Administration transmitting, pursuant to law, a report on a new system of records, in accordance with the Privacy Act (with an accompanying report); to the Committee on Governmental Affairs.

EC-2198. A letter from the Secretary of Agriculture transmitting, pursuant to law, a report on a change in computer installation processing systems of records, in accordance with the Privacy Act (with an accompanying report); to the Committee on Governmental Affairs.

EC-2199. A letter from the Deputy Assistant Secretary of Defense transmitting, pursuant to law, a report on a new system of records, in accordance with the Privacy Act (with an accompanying report); to the Committee on Governmental Affairs.

EC-2200. A letter from the Administrator of the Environmental Protection Agency transmitting a draft of proposed legislation to establish the position of General Counsel in the Environmental Protection Agency (with accompanying papers); to the Committee on Governmental Affairs.

EC-2201. A letter from the Staff Director of the United States Commission on Civil Rights transmitting a draft of proposed legislation to extend the Commission on Civil Rights for 5 years, to authorize appropriations for the Commission, to effect certain technical changes to comply with other changes in the law, and for other purposes (with accompanying papers); to the Committee on the Judiciary.

PETITIONS

The PRESIDING OFFICER laid before the Senate the following petitions which were referred as indicated.

POM-328. House Concurrent Resolution No. 142 adopted by the Legislature of the State of Michigan memorializing the Congress of the United States to pass legislation eliminating the inequities in freight charges between virgin and recycled materials; to the Committee on Commerce, Science, and Transportation:

"HOUSE CONCURRENT RESOLUTION NO. 142

"Whereas, Virgin and new materials have been less costly than secondary or recycled materials in the United States for reasons that natural resources have been plentiful; and

"Whereas, Tax advantages favored virgin materials when our nation was young and exploitation of our natural resources seemed necessary and wise, but the continuation of this policy is less and less desirable as the resources are depleted; and

"Whereas, One of the major causes of inflation is the shortage of basic materials for production of steel, aluminum, copper, and other products; and

"Whereas, Virgin material producers do not pay the full costs of the environmental degradation caused by their harvesting, mining, and lumbering activities; and

"Whereas, An unfavorable price differential lessens the use of salvaged materials; and

"Whereas, the 1971 annual report of the Council on Environmental Quality noted that the average freight differential of two dollars per ton less for hauling virgin materials, distinctly discriminated against scrap metal which retards use of ferrous scrap and exploits a limited resource of iron ore; and

"Whereas, Restrictive local and state laws that raise the cost of recovering materials from old cars, securing titles, impounding vehicles, and obtaining sites for auto salvage yards are additional obstacles to recycling; now, therefore, be it

"*Resolved* by the House of Representatives (the Senate concurring), That the Michigan Legislature urge the Congress of the United States to pass legislation eliminating the inequities in freight charges between virgin and recycled materials; and be it further

"*Resolved*, That copies of this resolution be transmitted to the President of the Senate, the Speaker of the House of Representatives, and to each member of the Michigan delegation to the Congress of the United States."

POM-329. Assembly Joint Resolution No. 47 adopted by the Legislature of the State of California relative to Japanese-American assembly centers; to the Committee on Energy and Natural Resources:

ASSEMBLY JOINT RESOLUTION NO. 47

Whereas, The outbreak of war between the United States and Japan in 1941 directed unwaranted suspicion toward Japanese-Americans; and

"Whereas, The Pacific Coast Congressional delegation recommended to the President of the United States on February 13, 1942, for the removal of persons of Japanese descent from all strategic areas on the groundless basis that their "presence shall be deemed dangerous or inimical to the defense of the United States;" and

"Whereas, The President of the United States signed Executive Order 9066 on February 19, 1942, empowering the U.S. Army to designate areas from which "any or all persons may be excluded;" and

"Whereas, On March 2, 1942, the issuance of Public Proclamation 1 established Military Area 1 consisting of Arizona, California, Oregon, and Washington, with the U.S. Army's sole concern in the subsequent evacuation being physical internment and assumed no responsibility of a resettlement program until the War Relocation Authority was created; and

"Whereas, Many Japanese-Americans demonstrated their loyalty to the United States by evacuating strategic areas prior to Public Proclamation 1, the problems of property disposal, finance, employment, and public acceptance in other communities were obstructing this voluntary movement; and

"Whereas, Twelve assembly centers in California served as temporary detention camps under the supervision of the U.S. Army and Wartime Civilian Control Agency, which included Fresno, Marysville, Merced, Pinedale, Pomona, Sacramento, Salinas, Santa Anita, Stockton, Tanforan, Tulare, and Turlock, with induction beginning at Santa Anita on March 27, 1942, while the Fresno Assembly Center on October 30, 1942, was the last to close; and

"Whereas, Occupancy varied from 52 days at the Sacramento Assembly Center to 215 days at Santa Anita, while maximum population ranged from 2,451 evacuees at Marysville to 18,719 Japanese-Americans residing within 35 acres at Santa Anita; and

"Whereas, Most of the assembly centers provided housing in crude barracks and reconverted horse stalls on fairgrounds and racetrack sites, which were in unsanitary condition with deficiencies in areas of daily livelihood; and

"Whereas, The mass evacuation of persons of Japanese descent, the majority of them American citizens, who were interned behind barbed wire enclosures under armed guards with their only crime being that of Japanese descent, was significant in the history of the United States; and

"Whereas, In terminating Executive Order 9066, former President Gerald R. Ford stated that there must be "an honest reckoning of our national mistakes as well as our national achievements" and in commemoration of 35 years since the deplorable assembly centers and evacuation of more than 110,000 Japanese-Americans during World War II; now, therefore, be it

"*Resolved by the Assembly and Senate of the State of California, jointly*, That the members recognize that the assembly centers represent an important reminder of the war hysteria and injustices directed against persons of Japanese descent; and be it further

"*Resolved*, The California Legislature respectfully recommends that all 12 assembly center sites in California be nominated to the National Register of Historic Places and encourages the cooperation of relevant state and local agencies, private entities, and interested community groups in this endeavor by commemorating the sites with the placement of plaques describing their historical significance; and be it further

"*Resolved*, That the Chief Clerk of the Assembly transmit copies of this resolution to the U.S. Secretary of the Interior, Governor of the State of California, Keeper of the National Register, Director of the State Department of Parks and Recreation, members of the State Historical Resources Commission, members of the Board of Supervisors of Fresno, Los Angeles, Merced, Monterey, Sacramento, San Joaquin, San Mateo, Stanislaus, Tulare and Yuba Counties, appropriate city councils, and to each Senator and Representaive from California in the Congress of the United States."

POM—330. Assembly Joint Resolution No. 13 adopted by the Legislature of the State of California relative to the entertainment industry; to the Committee on the Judiciary:

ASSEMBLY JOINT RESOLUTION NO. 13

"Whereas, The United States Immigration and Naturalization Service has allowed foreign film companies and crews to come into California and shoot motion picture film, tape, or derivatives thereof; and

"Whereas, Many of California's craftsmen, camermen, soundmen, electricians, propertymen, grips, art directors, script supervisors, musicians, actors, directors, etc., are unemployed, and their protest of these practices have been ignored; 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 and the Commissioner of Immigration and Naturalization to protect the inherent rights of

7. Sisters and Spouses Names: None.

I have listed above the names of each member of my immediate family including their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

POLITICAL CONTRIBUTIONS STATEMENT

Nominee: Oliver S. Crosby.

Post: Ambassador to Conakry, Guinea.

Contributions, amount, date, and donee: (If none, write none.)

1. Self: IRS Check-off, $1, since check-off was instituted.

2. Spouse: IRS Check-off, $1, since instituted.

3. Children and Spouses Names: Michael, Jane, and Hunter, None.

4. Parents Names: Cleon H. Soule and Helen S. Soule, $150, 1976, $50 to Dixie Lee Ray; 1973-1977, $100 to various candidates.

5. Grandparents Names: None.

6. Brothers and Spouses Names: H. Lamar and Louise Crosby and Hardyn B. and Betty B. Soule, $1, IRS check-off since instituted and 1976, $50 to Dixie Lee Ray.

7. Sisters and Spouses Names: None.

I have listed above the names of each membe of my immediate family including their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

POLITICAL CONTRIBUTIONS STATEMENT

Nominee: E. Gregory Kryza.

Post: Mauritania.

Contributions, amount, date, and donee:

1. Self: None.

2. Spouse: Jeannie Marie Kryza, None.

3. Children and Spouses Names: Christopher D. Kryza and Frank T. Kryza, none, $100, 7/1976, Gloria Schaffer, Unsuccessful Candidate for U.S. Senator from Connecticut.

4. Parents Names: Deceased, none.

5. Grandparents Names: Deceased, None.

6. Brothers and Spouses Names: None.

7. Sisters and Spouses Names: Mr. and Mrs. Thaddeus Paskiewicz—Detroit, Mich., Mr. and Mrs. Frank Mioduski—Detroit, Michigan, Miss Ann Kryza—Detroit, Michigan, Mrs. Marion Bisson—Detroit, Michigan, Mr. and Mrs. Robert Weinheimer—Loveland, Ohio, Mr. and Mrs. Alton Lemanski—Detroit, Michigan, and Mr. and Mrs. Stanley Rawski—Detroit, Michigan, None.

I have listed above the names of each member of my immediate family including their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that today, October 25, 1977, he presented to the President of the United States the following enrolled bill:

S. 1811. An act to authorize appropriations to the Energy Research and Development Administration in accordance with section 261 of the Atomic Energy Act of 1954, as amended, section 305 of the Energy Reorganization Act of 1974, and section 16 of the Federal Nonnuclear Energy Research and Development Act of 1974, as amended, and for other purposes.

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. JACKSON (by request):

S. 2234. A bill to authorize appropriations for activities and programs carried out by the Secretary of the Interior through the Bureau of Land Management; to the Committee on Energy and Natural Resources.

By Mr. MAGNUSON (for himself, Mr. HOLLINGS, and Mr. PEARSON) (by request):

S. 2235. A bill to amend the Communications Act of 1934 to extend and improve the provisions of such Act relating to long-term financing for the Corporation for Public Broadcasting and relating to certain grant programs for public telecommunications, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. RIBICOFF (for himself, Mr. JAVITS, Mr. MELCHER, Mr. HELMS, Mr. PERCY, Mr. CASE, Mr. RANDOLPH, Mr. MORGAN, and Mr. DOLE):

S. 2236. A bill to effect certain reorganization of the Federal Government to strengthen Federal programs and policies for combating international and domestic terrorism; to the Committee on Government Affairs; and, if and when reported, to the Committee on Foreign Relations for not to exceed 30 days.

By Mr. CHILES:

S. 2237. A bill for the relief of Lee Myong Sook; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. JACKSON (by request):

S. 2234. A bill to authorize appropriations for activities and programs carried out by the Secretary of the Interior through the Bureau of Land Management; to the Committee on Energy and Natural Resources.

BUREAU OF LAND MANAGEMENT, QUADRENNIAL AUTHORIZATION ACT

Mr. JACKSON. Mr. President, it has been apparent for several years that the statutory base of some 3,000 public land laws, many of which date from the 19th century, provided inadequate policy guidance and authority for the Bureau of Land Management to properly manage the national resource lands. For these and other reasons, the Congress passed the Federal Land Policy and Management Act of 1976, signed into law October 21, last year.

Section 318(b) of that act requires the Secretary of the Interior to submit to the Congress a request for the authorization of appropriations for all programs, functions, and activities of the Bureau of Land Management to be carried out during the 4 fiscal-year period beginning October 1, 1978. The act required the Secretary to submit the first request for authorization by May 15 of this year in order to give the Congress an adequate opportunity to explore the Bureau's programs, problems and needs with all interested parties before consideration and passage of authorizing legislation by May 15, 1978. The act further required that the Secretary present to the Congress the funding levels which he has determined can be efficiently and effectively utilized, notwithstanding any budget guidelines or limitations imposed by any official or agency of the executive branch.

The Secretary has only recently transmitted his recommendations in the form of a draft bill. I ask unanimous consent that the letter of transmittal be printed in the RECORD.

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

U.S. DEPARTMENT OF THE INTERIOR, OFFICE OF THE SECRETARY,
Washington, D.C., September 26, 1977.

Hon. WALTER F. MONDALE,
President, U.S. Senate,
Washington, D.C.

DEAR MR. PRESIDENT: On behalf of the Bureau of Land Management, I am respectfully requesting authorization for appropriations for Fiscal Years 1979 through 1982. The authorization is pursuant to Section 318(b) of the Federal Land Policy and Management Act of 1976 (31 U.S.C. 1301 note).

Enclosed is a draft bill authorizing the appropriations. Supplemental program information supporting the request is being compiled and will be submitted in the near future.

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

Sincerely,

DANIEL BEARD,
Acting Assistant Secretary.

Mr. JACKSON. The bill that I am introducing by request is the draft bill provided by the Secretary. It provides for authorization of $460 million for fiscal year 1979. This represents an increase of more than $49 million in program funds over the amounts appropriated for fiscal year 1978. It includes also $45 million for the first time for loans to the States and their political subdivisions in order to relieve social or economic impacts occasioned by the development of minerals leased in such States. The total amounts authorized by the bill would increase each year, rising to a level of $586 million for fiscal year 1982.

Upon investigation, these amounts may prove to be inadequate to provide an optimum level of protection and development of the national resource lands. This past year, both the authorizing and appropriations committees in the House and the Senate have expressed strong concern that the executive branch has consistently failed to request sufficient manpower and funding to make the investments in our public lands that are necessary to provide adequate protection and development of their resources. In many situations it is apparent that investments now will more than pay for themselves in increasing the sustained yield of these lands.

Artificial, arbitrary personnel ceilings imposed by the executive branch and a growing practice of utilizing "temporary" positions are undermining the effort to recruit and maintain a competent work force necessary for sound management of the Nation's resources.

I regret that the Secretary has been dilatory in providing his estimates. On several occasions, I have expressed my concern over the Secretary's delay in complying with the statutory requirement that these estimates be provided by May 15. I ask unanimous consent that our exchange of correspondence on this matter be printed in the RECORD.

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

U.S. DEPARTMENT OF THE INTERIOR,
BUREAU OF LAND MANAGEMENT,
Washington, D.C., February 11, 1977.

Hon. HENRY M. JACKSON,
Chairman, Committee on Interior and Insular Affairs, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Section 318(b) of the Federal Land Policy and Management Act of 1976 requires the Secretary to submit to the House of Representatives and the Senate by May 15, 1977, a request for authorization of appropriations for all programs, functions, and activities of the Bureau to be carried out during the four-fiscal year period beginning October 1, 1978. In conjunction with this requirement, we would like to meet with members or staff of both the House and Senate Interior Committees to discuss details of the presentation of this authorization request. We believe that development of a single document that is satisfactory to both Houses of Congress is very desirable and would facilitate both preparation and evaluation of the request. Paul Vetterick, BLM Budget Officer, is available to arrange a meeting at your convenience. His extension is 343-8571. We look forward to working with you.

Sincerely yours,

CURT BERKLUND,
Director.

ENERGY AND NATURAL RESOURCES,
PUBLIC LANDS AND RESOURCES.
June 10, 1977.

Hon. CECIL ANDRUS,
Secretary of the Interior, Interior Building, Washington, D.C.

DEAR MR. SECRETARY: Section 318(b) of the Federal Land Policy and Management Act directs the Secretary of the Interior to submit a request for the authorization of appropriations for all programs, functions and activities of the Bureau of Land Management to be carried out during the four fiscal year period following the calendar year in which the request is made. Under the provisions of that section, the first such request was to be submitted on or before May 15, 1977.

As the Committee has not yet received the request, would you please inform me as to when the request will be submitted and the reasons for the delay?

I was delighted to hear several months ago that the staff of the BLM had asked to work with Committee staff to develop a format for the quadrennial authorization request which would be mutually acceptable to all. This action, although not specifically required by the FLPMA, was certainly in the spirit of sec. 311(b) of that Act which requires such consultation with the Committees on the format of the annual public lands program report. Staff had informed me that the meetings with BLM personnel were cordial and that a general consensus had been reached on the format of the authorization request. It is for this reason that I am surprised that the statutory deadline for submission of the request passed without our receiving the document.

As I am concerned about the format of the authorization request, I would like to reiterate and emphasize those points made on behalf of the Committee at the staff meetings. The provisions of section 318(b) specifically call for a breakdown for "each . . . program, function, or activity". The Committee simply must have a request which provides such a breakdown in order to perform its legislative functions. The request should also contain a detailed description of the accomplishments to be expected in each program, function, or activity during each of the four fiscal years and the cost of achieving each increment of each such accomplishment. To provide historical perspective, the expenditures, accomplishments, and costs per increment of each accomplishment in each program, function, or activity in the last eight fiscal years should also be set forth in the request. Finally, I would ask for special analyses of certain program areas, such as implementation of the Alaska Native Claims Settlement Act, which cut across more than one functional budget category, particularly those program areas such as range rehabilitation and improvements, which would include both expenditures under the four year authorization and expenditures under budget categories exempt from the authorization.

Your early attention to this letter would be greatly appreciated.

Sincerely yours,

HENRY M. JACKSON,
Chairman.

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., July 26, 1977.

Hon. HENRY M. JACKSON,
Chairman, Committee on Energy and Natural Resources, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: In response to your status inquiry of the four year authorization for the Bureau of Land Management (BLM), I sincerely regret the delay in transmitting the proposed legislation within the statutory deadline established in the Federal Land Policy and Management Act (FLPMA). I want to assure you that this slippage beyond May 15, 1977 is not due to any lack of interest or neglect on the part of the Department.

As you are aware, officials of the BLM have been working with your staff in order to develop the format and content of the basic authorization language and separate supporting program analysis papers. I fully expect this coordination to continue in a spirit of cooperation to expedite the Committee's review of the multitude of BLM programs and activities. The BLM has prepared legislation in response to Section 318(b) which the Department is now reviewing. The reasons it, or our modifications thereto, have not been transmitted to the Committee are several.

First, the multitude of activities associated with BLM's responsibilities are quite large and diverse. Functionally, it is almost a Department within a Department. As you may well appreciate, any review of its proposed authorization, for even a single year, can be a timely and complicated undertaking.

Many programs of the Bureau involve major policy matters now under consideration by this Administration. Examples include future onshore and offshore energy leasing, land use planning, and use authorizations for energy distribution and transmission systems. It is our intent that, insofar as possible, the quadrennial authorization submitted reflects desired policy direction.

Finally, FY 1979—the base year for the authorization—is also the program year now being considered for subsequent budget requests from the Department. Recognizing that an authorization figure may well exceed any subsequent appropriation request due to the required trade-offs within the Department to meet the highest priority needs, it should, nonetheless, be at least compatible with basic program decisions.

It is my hope that the above considerations will have progressed within the next two to three weeks so that you will have my basic four year authorization recommendations for the BLM by mid-August. The individual program analyses supporting this legislative proposal will be transmitted following agreement with both House and Senate staffs as to content and format. A reasonable target date for completion of these analyses is mid- to late August.

We apologize for the delay and ask for your Committee's patience and understanding. I am most anxious to expedite a mutually satisfactory authorization for the BLM and look forward to working with you on this important matter in the months ahead.

Sincerely,

CECE,
Secretary.

SEPTEMBER 14, 1977.

Hon. CECIL D. ANDRUS,
Secretary of the Interior,
Department of Interior,
Washington, D.C.

DEAR MR. SECRETARY: Your July 26 letter about the four-year authorization for the Bureau of Land Management indicated that you hoped to be able to submit the recommendations by mid-August.

It is now mid-September and we have still not received the proposed legislation which by law was due on May 15. I am sure you realize the importance of this first authorization under the new Federal Land Policy and Management Act. I am sure you are also aware that the Committee has a very heavy schedule for the remainder of this session and in the second session. The timetable established in the Federal Land Policy and Management Act was especially designed to give Congress one year to consider the four-year authorization. Now for all practical purposes, we will have only the first few months of 1978, a time in which a number of other authorization measures will also be before the Committee.

I have asked Senator Metcalf, Chairman of the Subcommittee on Public Lands and Resources, to consider the possibility of holding hearings on the BLM authorization between sessions if the Department submits the proposed legislation before adjournment of the first session. I hope that you will do what you can to expedite action within the Executive Branch.

Sincerely yours,

HENRY M. JACKSON,
Chairman.

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C. October 7, 1977.

Hon. HENRY M. JACKSON,
Chairman, Committee on Energy and Natural Resources, U.S. Senate, Washington, D.C.

DEAR SCOOP: In response to your inquiry of September 14, concerning the four-year authorization request for the Bureau of Land Management pursuant to the Federal Land Policy and Management Act of 1976, I am pleased to enclose several copies of the Department's submission for your reference, and for the use of the Committee.

The Department's proposal was forwarded to the President of the Senate and the Speaker of the House of Representatives on September 26. Supplemental program information supporting the request has been compiled and is in the final stage of preparation by the Bureau of Land Management.

I can assure you that every effort is being made within this Department to meet our responsibilities in this matter. I have asked the Bureau of Land Management to expedite completion of the supporting information and fully expect that this information will be transmitted to the Senate in the next week or two.

Once again, we apologize for the delay and inconvenience and are most appreciative of your continued patience. Speaking for myself and my staff, as well as the Bureau of Land Management, we are anxious to assist and cooperate with the Committee whenever hearings can be scheduled.

Sincerely,

CECE,
Secretary.

rected at countries which harbor, aid, abet or assist terrorists.

DECLARATION OF PURPOSES

SEC. 4. The Congress therefore declares that the establishment of a Council for Combating Terrorism and the assignment of a high priority to anti-terrorist policy is in the public interest to promote the welfare of American citizens by assuring coordinated and effective administration of federal programs and policies for combating terrorism. It is the purpose of this Act—

(a) to establish in the Executive Office of the President a permanent Council for Combating Terrorism;

(b) to establish in the Department of State a Bureau, headed by an Assistant Secretary, to coordinate the responsibilities of that Department for combating international terrorism;

(c) to establish in the Department of Justice, an Office, headed by an Assistant Attorney General, to coordinate the responsibilities of that Department for combating terrorism;

(d) to bring together in the new offices the responsibility for coordinated management of all of the anti-terrorist policies and programs;

(e) to provide an appropriate organizational framework for the implementation of such programs;

(f) to provide for effective permanent mechanisms for development and implementation of a comprehensive national anti-terrorist policy;

(g) to assure coordinated and effective research in anti-terrorist measures;

(h) to improve the effectiveness of the information gathering system regarding terrorist acts and results;

(i) to establish effective sanctions against those countries which harbor, aid, or abet international terrorists;

(j) to coordinate and supervise the implementation of U.S. policy with respect to international acts of terrorism;

(k) to oversee and administer the provisions of this Act;

(l) to develop new initiatives which the U.S. can implement unilaterally or with other nations to control international acts of terrorism;

(m) to participate in international conferences and negotiations on the control of international acts of terrorism;

(n) to devise procedures for reacting swiftly and effectively to acts of terrorism that occur.

DEFINITIONS

SEC. 5. For the purpose of this Act—

(a) "terrorism" includes but is not limited to the calculated use of violence or the threat of violence to obtain political goals through instilling fear, intimidation or coercion. It usually involves a criminal act, often symbolic in nature and intended to influence an audience beyond the immediate victims; and

(b) "international terrorism" is terrorism transcending national boundaries in the carrying out of the act, the purpose of the act, the nationalities of the victims or the resolution of the incident. These acts are usually designed to attract wide publicity to focus attention on the existence, cause or demands of the terrorists.

TITLE I—REORGANIZATION OF EXECUTIVE OFFICE OF THE PRESIDENT

ESTABLISHMENT OF COUNCIL TO COMBAT TERRORISM

SEC. 101. There is hereby established in the Executive Office of the President an entity to be known as The Council to Combat Terrorism (hereinafter referred to as the "Council"). The Council shall be headed by, and its activities shall be administered under the supervision and direction of, the Assistant to the President for National Security Affairs.

COUNCIL FUNCTIONS

SEC. 102. The Council shall:

(a) assist the President in the implementation of this Act and shall provide staff support and assistance in the preparation of the Lists required by sections 105 and 107.

(b) consider the most effective means by which to combat terrorism in the U.S. and abroad;

(c) serve as the lead group in establishing procedures to ensure that the U.S. government can take appropriate action in response to acts of terrorism which directly or indirectly affect U.S. citizens;

(d) coordinate, among the government agencies, ongoing activity for the prevention of terrorism, including the collection of worldwide intelligence, the physical protection of U.S. personnel and installations abroad, and foreign diplomats and diplomatic installations in the U.S.;

(e) evaluate all such programs and activities and, where necessary, recommend methods for increasing the effectiveness of their implementation; and

(f) make recommendations to the Director of the Office of Management and Budget concerning proposed funding of such programs.

COUNCIL MEMBERSHIP

SEC. 103. The Council shall consist of the following individuals:

(1) the Assistant to the President for National Security Affairs;

(2) the Secretary of State;

(3) the Secretary of the Treasury;

(4) the Secretary of Defense;

(5) the Attorney General;

(6) the Secretary of Transportation;

(7) the U.S. Ambassador to the United Nations;

(8) the Director of Central Intelligence;

(9) the Assistant to the President for Domestic Affairs;

(10) the Director of the Federal Bureau of Investigation,

or their delegates, and any additional members which the Assistant to the President for National Security Affairs may determine are necessary.

REPORT ON TERRORIST ENTERPRISES

SEC. 104. (a) In the event of an act of terrorism which affects or involves citizens of the United States, the President shall submit to Congress an unclassified Report regarding such act of terrorism within 45 days following the commencement of such act.

(b) Such report shall include, but not be limited to, the following information:

(1) the identity of any individual, entity, group, and/or organization responsible for, or implicated in, the commission of such act:

(2) the identity of any country responsible for, or which may have willfully contributed to, aided, abetted, facilitated, or assisted the planning, execution, or commission of such act, or which grants safe haven or sanctuary from prosecution to the perpetrators of such act;

(3) a description of the activities, actions, and involvement of each individual, entity, group, organization, and country described in paragraphs (1) and (2);

(4) the names of any countries the President has added to the List of Countries Aiding Terrorist Enterprises (LOCATE) established pursuant to Section 105, and the reasons for the inclusion of each country on the List; and

(5) if any country described in paragraph (2) is not already on the List of Countries Aiding Terrorist Enterprises (LOCATE) established pursuant to Section 105 and is not described in paragraph (4), the reasons that country has not been added to the List.

(c) When the disclosure of information required in Section 104(a) would directly threaten the safety of an informant or confidential source or seriously compromise a covert information gathering program or source of information, the information may be withheld from the unclassified report. Such information shall instead be reported in classified form to the Senate and House Intelligence Committees.

LIST OF COUNTRIES AIDING TERRORIST ENTERPRISES

SEC. 105. (a) Within 60 days after enactment of this Act the President shall prepare and submit to Congress a List of Countries Aiding Terrorist Enterprises (LOCATE).

(b) The LOCATE shall contain names of countries which have been found to have willfully contributed to, aided, abetted, facilitated, or assisted in the planning, execution or commission of any act of terrorism which affects or involves citizens of the United States, or which grants safe haven or sanctuary from prosecution to the perpetrators of such act, and the reasons for inclusion of each country on the list.

(c) After the submission of the first LOCATE (required by subsection (a)), the development of the LOCATE shall be based on information submitted to Congress as required by Section 104 of this Act.

(d) At the time the report required by Section 104 is submitted to Congress, the President, based upon the information in the report, shall add the names of any countries to the LOCATE which he finds to have willfully contributed to, aided, abetted, facilitated, or assisted in the planning, execution, or commission of any act of terrorism which affects or involves citizens of the United States or which grants safe haven or sanctuary from prosecution to the perpetrators of such act.

(e) Within thirty days after the submission of the report required by Section 104, either House of Congress may pass a resolution adding the name of a country to the LOCATE which that House of Congress believes willfully contributed to, aided, abetted, facilitated, or assisted in the planning, execution or commission of an act of terrorism (described in the report) which affects or involves citizens of the United States or which grants safe haven or sanctuary from prosecution to the perpetrators of such act. The name of that country shall be added to the LOCATE thirty days after the approval of such a resolution unless prior to that time the other House of Congress passes a resolution disapproving the addition of the country's name to the LOCATE.

(f) The LOCATE shall be reviewed periodically by the President. After a country has been on the List for a period of at least one year, the President may submit to Congress "A Request of Removal," which shall constitute a request to remove that country's name from the list. Such a request shall be accompanied by the reasons for such request.

(g) The name of a country contained in "A Request of Removal" shall be removed from the LOCATE thirty days after the submission of that Request to the Congress unless either House of Congress by resolution disapproves that Request.

SANCTIONS AGAINST COUNTRIES AIDING TERRORIST ENTERPRISES

Sec. 106. (a) Within 30 days of the listing of any country on the List (LOCATE), the President shall impose sanctions against each such country including, but not limited to:

(1) issuance of a declaration that the country is "dangerous for United States citizens to travel to or reside in";

(b) Within thirty days after a country is added to the List (LOCATE), the President shall consider the imposition of sanctions (in addition to those automatically imposed by subsection (a)) against any country on the LOCATE, including but not limited to suspension or curtailment of trade, and suspension or curtailment of the shipment of spare or replacement parts and training, in connection with military and commercial purchases.

(2) suspension of all direct commercial air

service between the country and the United States, including all direct flights by the country's own carriers, third party carriers, and U.S. carriers;

(3) suspension of all indirect flights between the country and the United States by both the country's own carriers and U.S. carriers;

(4) refusal of admittance into the United States to any person who has traveled to or through a country on the LOCATE, unless (i) his passport contains a visa issued by a third country in the third country and (ii) such visa was issued after the date of his departure from the country on the List;

(5) refusal of permission to permit the deplaning of baggage belonging to a person who has traveled to or through a country on the LOCATE unless the baggage subsequently has been thoroughly examined in a third country not on the LOCATE;

(6) refusal of permission for the landing of any plane if it has landed in any country on the LOCATE unless the plane subsequently has been serviced and thoroughly inspected in a third country not on the LOCATE;

(7) inspection of all freight and mail that has come from or passed through a country on the LOCATE;

(8) refusal to grant new export licenses for the sale or transfer of items contained on the United States Munitions List to any country on the LOCATE, including government-to-government and commercial transactions;

(9) the refusal to grant new export licenses for the sale or transfer of any nuclear equipment, materials or technology to any country on the LOCATE.

LIST OF DANGEROUS AIRPORTS

SEC. 107 (a) The President is required to prepare and submit to Congress, 180 days after enactment of this Act, a List of Dangerous Foreign Airports.

(b) An airport shall be considered dangerous and, therefore, included on the List of Dangerous Foreign Airports, if the airport is not as safe as an airport which meets the minimum U.S. safety criteria as established by title 49, U.S.C.

(c) The List of Dangerous Foreign Airports shall include, but not be limited to, the following:

(1) a list of airports, country by country, which are found to be dangerous pursuant to subsection (b);

(2) a description of the safety and security deficiencies of each airport on the list.

(d) The List of Dangerous Foreign Airports shall be open for public inspection.

(e) Whenever the President finds that a foreign country has purposely obstructed the collection of information required to be gathered pursuant to this section, he shall submit such information to the Congress at the time of the submission of the List of Dangerous Foreign Airports, and shall add the name of that country to the List.

(f) The President shall periodically review and revise the List of Dangerous Foreign Airports.

SANCTIONS AGAINST DANGEROUS FOREIGN AIRPORTS

SEC. 108. Within 30 days of the listing of any airport on the List of Dangerous Foreign Airports, the President shall impose sanctions against each airport including, but not limited to:

(1) suspension of all direct commercial air service between that airport and the United States, including all direct flights by the country's own carriers, third party carriers and U.S. carriers;

(2) suspension of all indirect flights between that airport and the United States by both the carriers of the country in which the airport is located and U.S. carriers; and

(3) refusal of permission for the landing of any plane if it has landed in that airport unless the plane subsequently has been serviced and thoroughly inspected at an airport not on the List of Dangerous Airports.

TRANSFER OF EXISTING FUNCTIONS AND PROPERTY

SEC. 109. There are hereby transferred to and vested in the Council all functions and authorities, personnel, property and records vested in the Cabinet Committee to Combat Terrorism, and its Working Group.

TITLE II—REORGANIZATION OF THE DEPARTMENT OF STATE

ESTABLISHMENT OF BUREAU FOR COMBATING INTERNATIONAL TERRORISM

SEC. 201. (a) There is hereby established in the Department of State a Bureau for Combating International Terrorism (hereinafter referred to as the "Bureau"), which shall be headed by an Assistant Secretary of State, appointed by the President, by and with the advice and consent of the Senate.

(b) Section 5315(22) of title 5, U.S.C., is amended by striking out "(11)" and inserting in lieu thereof "(12)".

BUREAU FUNCTIONS

SEC. 202. The Bureau shall:

(a) coordinate, supervise, and ensure the efficient management, implementation and development of all anti-terrorist policies, programs, and activities of the Department of State;

(b) work closely with the Council to Combat Terrorism, in assisting that Council in the performance of its functions; and

(c) assist the President in the implementation of Section 203 and the other provisions of this Act.

PRIORITIES FOR NEGOTIATION OF INTERNATIONAL AGREEMENTS

SEC. 203. (a) The President is hereby urged to seek international agreement to assure more effective international cooperation in combating terrorism.

(b) High priority in the negotiation of such agreements should be given to agreements which include, but which need not be limited to the following:

(1) establishment of a permanent international working group, including subgroups on topics such as law enforcement, intelligence sharing and crisis management, which would combat international terrorism by—

(A) promoting international cooperation among countries; and

(B) developing new methods, procedures, and standards to combat international terrorism;

(2) establishment of sanctions to assure compliance with—

(A) the Convention for the Suppression of Unlawful Seizure of Aircraft (the Hague, December 16, 1970);

(B) the Convention for the Suppression of Unlawful Acts Against the Safety of Civil Aviation (Montreal, September 23, 1971); and

(C) the Convention on the Prevention and Punishment of Crimes Against Internationally Protected Persons, Including Diplomatic Agents (New York, December 14, 1973);

(3) establishment of international legal requirements to prohibit and punish the act of taking hostages, and

(4) the strengthening of nuclear nonproliferation efforts by:

(A) the establishment of physical security standards for nuclear materials and facilities, including international shipments;

(B) the incorporation of standards developed in Subparagraph (A) into New Agreements for Cooperation;

(C) the establishment of an information exchange system between signatory nations involving technical, administrative, and intelligence information relating to physical security; and

(D) the establishment of guidelines by an international agency or organization for contingency plans for action by signatory nations in the event of theft of nuclear materials.

IMPLEMENTATION OF MONTREAL TREATY

SEC. 204. The President shall develop standards and programs to ensure the full implementation of the provisions of the Convention for the Suppression of Unlawful Acts Against the Safety of Civil Aviation (Montreal, September 23, 1971).

DEFENSE SALES TO INDIVIDUALS, GROUPS

SEC. 205. (a) No sale, credit, or guarantee shall be made or extended or shall any export license be issued by the United States with respect to any defense article or defense service for any individual, group, or organization without the specific prior approval of the President.

(b) No such sale, credit, guarantee, or license may be made, extended, or issued, as the case may be, with respect to any defense article or service for any country unless such country shall have agreed not to transfer title to, or possession of, such defense article or defense service to any individual, group, or organization.

U.S. MUNITIONS LIST

SEC. 206. The President shall include the names of all types of explosives on the United States Munitions List (22 U.S.C. 2278).

TRANSFER OF EXISTING FUNCTIONS AND PROPERTY

SEC. 207. There are hereby transferred to and vested in the Bureau all functions and authorities, personnel, property, and records now vested in the present Office for Combating International Terrorism established by the Secretary of State.

TITLE III—REORGANIZATION OF THE DEPARTMENT OF JUSTICE

ESTABLISHMENT OF OFFICE FOR COMBATING TERRORISM

SEC. 301. (a) There is hereby established in the Department of Justice an Office for Combating Terrorism, which shall be headed by an Assistant Attorney General, appointed by the President, by and with the advice and consent of the Senate.

(b) Section 5315(19) of title 5, United States Code, is amended by striking out "(9)" and by inserting in lieu thereof "(10)".

OFFICE FUNCTIONS

SEC. 302. The Office shall

(a) coordinate, supervise, and ensure the efficient management, implementation and development of all anti-terrorist policies, programs, and activities of the Department of Justice; and

(b) work closely with the Council to Combat Terrorism, in assisting that Council in the performance of its functions.

EXTENSION OF EXISTING SAFETY AND SECURITY MEASURES

SEC. 303. The President shall extend existing safety and security requirements of title 49, United States Code, to supplemental means of air transportation, foreign or domestic, including the charter operations of regularly scheduled airlines, commuter services regulated by Civil Aeronautics Board, and other regularly scheduled interstate or intrastate passenger operations; and to any airport in the United States serving aircraft subject to the above provisions.

MANDATORY USE OF EXPLOSIVE TAGGANTS

SEC. 304. No explosive may be imported, manufactured, or exported unless such explosive contains identification and detection taggants. Such taggants must identify the source and time of manufacture of that explosive, regardless of whether such explosive has been detonated and permit the detection of concealed explosives.

The President shall issue regulations to implement this provision to the maximum extent possible under existing technology so that the taggants will provide maximum assistance to law enforcement agencies in locating, identifying and prosecuting individuals illegally utilizing such explosives.

the Safety of Civil Aviation signed in Montreal on September 23, 1971.

OCTOBER 24, 1977.

STATEMENT BY J. J. O'DONNELL, PRESIDENT, AIR LINE PILOTS ASSOCIATION, DURING JOINT PRESS CONFERENCE WITH SENATOR ABRAHAM A. RIBICOFF

I am pleased and honored to share with Senator Ribicoff the announcement of his proposed legislation of an Anti-International Terrorist Act.

Representing the 30,000 members of Air Line Pilots Association, I enthusiastically support Senator Ribicoff's legislation that calls for severe economic, political, and social sanctions on those nations that aid and abet individuals or groups which commit international acts of air piracy.

I applaud the initiative of Senator Ribicoff in development of this timely and strong legislation that provides swift and necessary action for an important and growing international political problem. Its need is obvious following the events of the past week.

The world cannot and must not tolerate air piracy any longer.

The list of domestic and foreign aircraft hijackings is as follows:

CIVIL AVIATION SECURITY SERVICE

FEDERAL AVIATION ADMINISTRATION—DOMESTIC AND FOREIGN AIRCRAFT HIJACKINGS (AS OF JAN. 1, 1977)

Results	Date	Name	Airline	Type aircraft	Flight plan	Disposition
(1)	Feb. , 1931		(F) Peruvian		Domestic, Peru	
(1)	July 25, 1947	3 men	(F)(G)(A) Rumanian		Domestic, Rumania	Landed Canakkale Province, Turkey. 1 crewman killed by hijackers.
(1)	Apr. 6, 1948	17 people	(F) Czechoslovakian		Prague/Bratislavia, Czechoslovakia.	Landed in U.S. zones of Germany. Pilot and 2 other crewmembers were 3 of the hijackers.
(1)	May 4, 1948	2 men	do		Brno, Moravia/Ceske, Budegovic, Czechoslovakia.	Landed in U.S. zone of Germany.
(1)	June 4, 1948	do	(F) Yugoslavian		Belgrade/Sarajevo, Yugoslavia.	Landed Bari, Italy.
(1)	June 17, 1948		(F) Soviet-Rumanian Airways (Rumanian).	C-47	Domestic, Rumania	Landed Salzburg, Austria.
(1)	June 30, 1948	Mihalakev, Strahil, and several others.	(F) Bulgarian	Junkers 52	Varna/Sofia, Bulgaria	Landed Istanbul, Turkey. Pilot killed. 2 crew wounded.
(2)	July 16, 1948	Wong, Io, Chio, Tok, Chio, Choi, Chio, Cheong.	(F) Cathay Pacific (Hong Kong)	Catalina	Macao/Hong Kong	Pilot and copilot shot and killed. Plane crashed in sea. 25 killed, 1 hijacker only survivor.
(1)	Sept. 12, 1948	8 people	(F) Greek	Dakota	Athens/Salonika, Greece	Landed Tetovo, Yugoslavia.
(1)	Jan. 4, 1949	Majoros, Janos; Kuhn, Milos, and 20 others.	(F) Hungarian		Peos/Budapest, Hungary	Landed Munich, U.S. zone of Germany. Majoros took over controls from pilot Kuhn by prearrangement shortly after takeoff.
	Jan. 30, 1949	6 people	(F) China National Aviation Corp. (Republic of China).		Shanghai/Tsingtao, China	Landed in Tsinan, China (under control of Peoples Republic of China) hijackers tried twice to land, then asked regular crew to land the plane. Passengers held 1 mo then were released and sent to Tsingtao. Aircraft retained.
(1)	Apr. 29, 1949	Korm, Stoyan	(F) Soviet-Rumanian (Rumanian).	Dakota	Timisoara/Bucharest, Rumania.	Landed Salonika, Greece. Hijacker, female passenger and a security guard granted political asylum.
(1)	Sept. 16, 1949	5 men	(F) Lot, Polish		Gdansk/Lodz, Poland	Landed Nykoeping Military airfield. 65 mi south of Stockholm, Sweden.
(1)	Dec. 9, 1949	4 people	(F) Soviet-Rumanian (Rumanian).	DC-3	Sibiv/Buch, Rumania	Killed security guard. Landed Belgrade, Yugoslavia.
(1)	Dec. 16, 1949	16 people	(F) Polish		Lodz/Gdansk, Poland	Landed Roenne, Bornholm Island, Denmark.
(1)	Mar. 24, 1950	Angette r, Vit, Mraz. Kamil	(F) Czechoslovakian	DC-3	Brno/Prague, Czechoslovakia	Landed in U.S. zone of Germany.
(1)	do	Svetlik, Vladimir; Popelka, Viktor.	do	do	Ostrava/Prague, Czechoslovakia.	Do.
(1)	do	Dolezal, Oldrich; Smid, Borijov; Sacha, Stanislav; Kralovansky, Jan.	do	DC-3	Bratislava/Prague	Do.
(1)	Aug. 11, 1950	2 persons	(F) Czechoslovakian (G/A)	Transport	Unknown	Landed Pottmes, U.S. zone of Germany.
(1)	Oct. 17, 1951	2 men	(F) Yugoslav National Airlines (Yugoslavian).	DC-3	Domestic, Yugoslavia	Landed Zurich, Switzerland. Hijackers were the pilot and copilot. Hijackers and their wives and 2 male children requested political asylum. The 3 other crew, 22 passengers and plane were returned to Yugoslavia.
(1)	June 26, 1952	Inkret, Vilim; Tevek, Josip; Zigic, Bogdan.	do		Belgrade/Pola, Yugoslavia	Landed Foligno, Italy. While 2 hijackers pointed guns at the passengers, Inkret broke into the cockpit with an ax, took over the controls and flew to Foligno. They requested political asylum; 19 other passengers, 5 crew and the plane were returned to Yugoslavia.
(3)	Dec. 30, 1952	Tie-Cho Ang	(F) Philippine	DC-3	Laoag/Aparri, Philippines	Hijacker wanted to go to Red China. Pilot and purser killed. Copilot landed at Quemoy. Hijacker captured.
(1)	Mar. 23, 1953	Slovak, Miroslav; Cermiak, Helmut; Cermiakova, Hana; 1 other man.	(F) Czechoslovakian	C-47	Prague/Brno., Czechoslovakia	Landed Frankfurt, Germany. M. Slovak was the pilot.
(1)	July 13, 1956	Polyak, Georg; Jakaby, Joseph; Kiss, Gabor; Tinter, Karl; Balla, Joseph; Isar, Franz; Isar, Franz, Mrs.	(F) Hungarian	Twin engine	Gyor/Szombathely, Hungary	After a struggle with the crew and some passengers one of the hijackers took over the controls and landed the plane at Ingolstadt, West Germany. Hijackers requested political asylum. Other passengers, crew and the aircraft returned to Hungary.
(1)	Feb. 16, 1958	5 men, 2 women, 1 baby	(F) South Korean	DC-3	Pusan/Seoul, South Korea	Landed in Pyongyang, North Korea. Passengers and crew returned Mar. 5, 1958.
(1)	Apr. 9, 1958		(F) Cubana		Havana/Santa Clara, Cuba	Landed Merida, Mexico. Plane and passengers returned to Cuba Apr. 13, 1974.
(2)	Apr. 10, 1958	1 man	(F) South Korean	C-46	Taegu/Seoul, South Korea	Hijacker wanted to go to North Korea. Radioman killed. Pilot and copilot wounded. Landed Pyongtaek, South Korea. Hijacker captured.
(1)	Apr. 13, 1958	Villamar, Carlos; 2 other men	(F) Cubana	DC-3	Havana/Santa Clara, Cuba	Landed Miami, Fla. The hijackers were the 3-man crew. The 12 passengers, crew, and plane were returned to Cuba.
(1)	June 2, 1958	Vydra, Jaroslav; Hornik, Josef and wife.	(F) Charter (G/A), Czechoslovakian.		Domestic, Czechoslovakia	Landed Vienna, Austria. Hijackers brandished broken pistol and forced the pilot to fly to Vienna. The 3 were arrested for extortion under threats. The charges were dropped June 6, 1958.
(3)	Oct. 22, 1958	3 Cuban rebels	(F) Cubana	DC-3	Cayo Mambi/Moa Bay, Cuba	Aircraft disappeared.
(4)	Nov. 1, 1958	5 men	(F) Cubana	Viscount	Miami/Havana, Cuba	Crash killed 17 of the 20 people aboard.
(3)	Nov. 6, 1958		do	DC-3	Manzanillo/Holguin, Cuba	Aircraft held on rebel airstrip. 25 passengers, returned.
(3)	Apr. 10, 1959	6 men	(F) Haitian	DC-3	Auxcayes/Port Au Prince, Haiti.	Pilot killed. Copilot flew to Cuba.
(1)	Apr. 16, 1959	Serrate, Leonard; Serrate, Jesus; Mason y Sanchez, Alfredo.	(F) Aerovias (Cuban)	DC-3	Havana/Isle of Pines, Cuba	Landed at Miami. Taken into custody by U.S. authorities.
(1)	Apr. 25, 1959	Rodrigues Diaz, Antonio; Rodrigues Diaz, A.S.; Rodriguez Diaz, Maria; plus 1 woman.	(F) Cuban	Vicker Viscount	Varadero Beach/Havana, Cuba	Landed Key West, Fla. Reportedly after takeoff the 2 women reached under their skirts, brought out pistols and gave them to the 2 male hijackers. They then ordered the pilot to fly to Miami, but agreed to Key West, Fla. because of a lack of fuel. Rodriguez Diaz, Antonio, was a general under deposed Cuban President Batista.

See footnotes at end of table.

Results	Date	Name	Airline	Type aircraft	Flight plan	Disposition
(1)	July 8, 1959	Obrad, Cuckovic	(F) Yugoslavian		Cattaro/Belgrade, Yugoslavia	Landed Bari, Italy. Hijacker fired a warning shot, entered the cockpit and ordered the pilot to land at the nearest Italian airport.
(1)	Oct. 2, 1959	Betancourt, Estaban A.; Betancourt, Gloria L.; Hernandez, Osvaldo.	(F) Cubana	Viscount	Havana/Santiago, Cuba	Landed at Miami, Fla.
(1)	Dec. 2, 1959	8 men	(F) Panair do Brazil (Brazilian	Constellation	Rio de Janeiro/Belem, Brazil	Landed Aragarcas, Brazil. Hijackers were Brazilian military officers who were engaged in a revolt against the Brazilian Government. The revolt failed and the hijackers took the plane on to Buenos Aires, Argentina.
(1)	Apr. 21, 1960	Herrera, Gonzalo; Monnar, Francisco; Lopez, Angel E.; Enrique, Pedro.	(F) Cubana	Viscount	Domestic, Cuba	Landed in Miami. Pilot and 2 crewman were 3 of the hijackers.
(1)	July 5, 1960	Acosta, Miguel; Norbregas, Leslie	do		Madrid, Spain/Havana, Cuba	Landed in Miami. Hijackers were the copilots.
(1)	July 17, 1960	Menendez, Jose P	do	Viscount	Havana, Cuba/Miami	Landed in Jamaica. Pilot was the hijacker.
(1)	July 18, 1960	Cardenas Adeas, Jose F	(F) Private G/A (Cuban)	Single engine	Havana/Vedaro, Cuba	Landed Fort Lauderdale, Fla.
(2)	July 19, 1960	Hildebrant, Alex	(F) Trans-Australia	Electra L-188	Sydney/Brisbane, Australia	Hijacker desired to go to Singapore. Hijacker overpowered by copilot and deadheading pilot. Sentenced to 7 years imprisonment.
(1)	July 28, 1960	3 men	(F) Cubana		Oriente Prov./Havana, Cuba	Landed in Miami. Pilot hijacked the plane with help of 2 passengers. Held security guard at gunpoint. 2 women and 2 children joined hijacker.
(2)	Aug. 21, 1960	1 man, 1 woman	(F) U.S.S.R		Domestic, U.S.S.R	Crew wounded but overpowered hijackers.
(1)	Oct. 29, 1960	9 men	(F) Cubana	DC-3	Havana/Isle of Pines, Cuba	Landed in Key West. Security guard shot and killed. Pilot, copilot, and 1 passenger wounded. Copilot was 1 of the hijackers.
(2)	Dec. 8, 1960	Martinez Hernandez, Diosdado; Moreno Bacallado, Enildo; Moreno Bacallado, Eloy; Villarreal Garcia, Cesar; Quian, Raul.	do		Domestic, Cuba	Pilot crash- landed. 1 killed, 4 wounded.
(1)	Jan. 1, 1961	2 men	do		do	Landed New York, N.Y. Hijackers pointed a pistol at the pilot while in the Havana terminal area. They forced him to fly a group of Batista supporters out of Cuba.
(3)	May 1, 1961	Ramirez Ortiz, Antulio	National	CV-440	Marathon/Key West	Arrested in Miami on Nov. 21, 1975. Sentenced to 20 yr.
(1)	July 3, 1961	11 men/3 women	(F) Cubana	DC-3	Havana/Veradero, Cuba	Landed in Miami. Security guard shot and wounded.
(3)	July 24, 1961	Quendo, Wilfredo	Eastern	L-188	Miami/Tampa	
(4)	July 31, 1961	Britt, Bruce	PAC	DC-3	Chico/San Francisco	Shot and wounded ticket agent and pilot. Sentenced for attempted murder, 3, 1 to 14 yr, terms to run consecutively Sept. 5, 1961.
(4)	Aug. 3, 1961	Bearden, Leon F Bearden, Cody L. (J)	Continental	B-707	Los Angeles/Houston	Prison, 20 yr. Reform school.
(3)	Aug. 9, 1961	Cadon, Albert	Pan American	DC-8	Mexico City, Mexico/Guatemala City, Guatemala.	Prison (Mexico) 8 yr, 9 mos.
(2)	do	5 men	(F) Aerovias (Cuban)	C-46	Havana/Isle of Pines, Cuba	Pilot and 2 others killed. 6 wounded. Copilot made a crash landing.
(2)	Sept. 10, 1961	Tumanyan, Serge; Sekoyan, Henrik; Movseyan, Haregin.	(F) Charter; (G/A) U.S.S.R	YAK-12	Erwan/Yekhegnadzor, U.S.S.R.	Pilot wounded by hijackers. 1 hijacker killed in crash near Yekhegnadzor, Armenia, U.S.S.R. 2 other hijackers sentenced to death.
(1)	Nov. 10, 1961	6 men	(F) Transportes Aeroes (Portuguese).	L-1049	Casablanca, Morrocco/Lisbon, Portugal.	Circled Lisbon dropping leaflets. Landed Tangier, Morrocco. Hijackers expelled to Senegal then went to Brazil and were granted asylum.
(1)	Nov. 27, 1961	5 men	(F) Avensa (Venezuelan)	DC-6B	Caracas/Maracaibo, Venezuela.	Landed in Curacao; hijackers extradited. Imprisoned for 4 yr 7 mo.
(2)	Mar. 17, 1962	1 man	(F) French		Paris/St. Martin de L'ardoise, Frnace.	Hijacker, 1 of 32 prisoners aboard, shot and wounded by a guard.
(3)	Apr. 13, 1962	Healy, David Oeth, Leonard	Charter (G/A)	Cessna 172	Miami (local)	20 yr Nov. 12, 1964. 25 yr.
(2)	Apr. 16, 1962	Da Silva, Edgar (Portuguese Cit.).	(F) Royal Dutch Airlines (Netherlands).		Amsterdam, Netherlands/Lisbon, Portugal.	Hijacker wanted to go to East Berlin. Aircraft landed in Holland. Hijacker in custody.
(1)	Nov. 28, 1963	Dilma, "Commander," Dilma, Olga; Marin, Jose; Rojas, Alberto; Toledo, Patrick; Rojas, Armando.	(F) Avensa (Venezuelan)	Convair twin engine	Ciudad Bolivar/Caracas, Venezuela.	Landed in Trinidad; hijackers extradited.
(3)	Feb. 18, 1964	Hernandez, Enrique; Lopez Rodriguez, Reinaldo.	Charter (G/A)	Piper (PA-23)	Miami/Key West	
(2)	1964 (fall)	2 men	(F) U.S.S.R	AN-2	Shadur-Lungu/Izmail, U.S.S.R.	Pilot and copilot wounded. Landed Kishinev, U.S.S.R.
(2)	1965 (spring)	1 man/1 woman	do		Domestic, U.S.S.R	Flight engineer shot and killed by hijackers. Other crewmembers overpowered the hijackers.
(1)	Aug. 31, 1965	Fegerstrom, Harry (J)	Hawaiian	DC-3	Honolulu	Correction school. Paroled Nov. 3, 1967.
(2)	Oct. 11, 1965	Heisler, Lawrence (S); Boyd, Richard (S).	Aloha	F-27	Molokai/Honolulu	Both were sentenced to 4 yr imprisonment and dishonorable discharges from U.S. Navy.
(4)	Oct. 26, 1965	Medina Perez, Luis	National	L-188	Miami/Key West	Acquitted, June 24, 1966 (mental competence an issue of trial).
(4)	Nov. 17, 1965	Robinson, Thomas (J)	do	DC-8	New Orleans/Florida	Correctional school. Conviction set aside Sept. 24 1969.
(4)	Mar. 27, 1966	Betancourt Cueto, Angel (F)	Cubana	IL-18	Santiago, Cuba/Havana, Cuba	Pilot and guard killed after pilot landed in Cuba. Hijacker thought he was at Miami. Copilot wounded. Hijacker was the flight engineer. Hijacker captured Apr. 11, 1966.
(1)	July 7, 1966	9 persons	do	IL-18	do	Landed in Jamaica. Pilot was 1 of the hijackers Copilot wounded.
(2)	Aug. —, 1966	3 men	(F) U.S.S.R		Domestic, U.S.S.R	Landed Batumi, U.S.S.R. 1 passenger wounded. Hijackers captured.
(1)	Sept. 28, 1966	Varrier, Maria and 19 other people (F).	Argentina	DC-4	Buenos Aires/Rio Gallegos, Argentina.	Landed in Falkland Islands. Extradited. 3 leaders sentenced to 5-yr. The others sentenced to 3 yr.
(1)	Feb. 7, 1967	Hajjaj, Riyad Kamal	(F) Egyptina	AN-24	Domestic, Egypt	Landed in Jordan. Escaped to Sweden where he is serving a long sentence for other crimes.
(1)	Apr. 23, 1967	5 men	(F) Nigerian	F-27	Benin City/Lagos, Nigeria	Landed in Enugu, Eastern Nigeria.
(1)	June 30, 1967	Bodenan, Francois (French)	(F) Private (G/A) (United Kingdom).	HS-125	Palma de Mallorca/Iviza, Spain.	Landed in Algeria; Moise Tshombe, former Prime Minister of the Congo aboard. Tshombe held by Algerians. Tshombe died in captivity June 29, 1969.
(1)	Aug. 6, 1967	Buendia, Pedro; Roias, Fermina; Lopez, Roberto; Alvarez, Julian; and 1 other man.	(F) Aerocondor (Colombian)	DC-4	Barranquilla/ San Andres Islands, Colombia.	
(2)	Sept. 9, 1967	Garcia, Ramino; Garcia, Fernando; Garcia, Joaquin.	(F) Avianca (Colombian)	DC-3	Barranquilla/Magangue, Colombia.	
(3)	Nov. 20, 1967	Babler, Gabor Louis	Charter (G/A)	Piper Apache	Hollywood, Fla./Bimini	

See footnotes at end of table.

CIVIL AVIATION SECURITY SERVICE—Continued

FEDERAL AVIATION ADMINISTRATION—DOMESTIC AND FOREIGN AIRCRAFT HIJACKINGS (AS OF JAN. 1, 1977)

Results	Date	Name	Airline	Type aircraft	Flight plan	Disposition
(3)	do	1 man	(F) Cruzeiro du Sol (Brazilian)	YS-11	Manaus/Belem, Brazil	
(3)	Nov. 13, 1969	6 men	(F) Avianca (Colombian)	DC-4	Cucuta/Bogota, Colombia	A pregnant women and 1 other person allowed to deplane during refueling at Barranquilla.
(3)	Nov. 18, 1969		(F) (G/A) (Mexican)		Merida/Cozumel, Me ico	
(1)	Nov. 20, 1969	Szyman iewicz, W., Zolotucho, R.	(F) Lot (Polish)	AN-24	Wroclaw, Poland/Bratislava, Czechoslovakia.	Landed in Austria. Sentenced to 27 mo and 2 yr respectively.
(3)	Nov. 29, 1969	1 man	(F) Varig (Brazilian)	B-707	London/Rio de Janeiro, Brazil	
(3)	Dec. 2, 1969	Hamilton, B	TWA	B-707	San Francisco/Philadelphia	
(1)	Dec. 11, 1969	1 man	(F) South Korean	YS-11	Kangnung/Seoul, South Korea	Landed in North Korea.
(2)	Dec. 12, 1969	2 men	(F) Ethiopian	B-707	Madrid, Spain/Addis Ababa, Ethiopia.	Hijackers slain by security guards aboard aircraft.
(3)	Dec. 19, 1969	Alarcon, Patricio	(F) Lan Chilean (Chilean)	B-727	Santiago/Arica, Chile	
(3)	Dec. 23, 1969	1 man	(F) LACSA (Costa Rican)	C-46	Puerto Limon/San Jose, Costa Rico.	Released 30 passengers at San Adreas.
(3)	Dec. 26, 1969	do	United	B-727	New York/Chicago	
(3)	Jan. 1, 1970	Allen Luz, Yanez; Sommers, Isolde; Magalhaes, Claudio C.; Silva, Luis A.	(F) Cruzeiro do Sul (Brazilian)	Caravelle	Montevideo, Uruguay/Rio de Janeiro, Brazil.	Stopped in Peru and Panama. Landed at Havana Jan. 4, 1970, 46 hr after the hijacking started.
(2)	Jan. 6, 1970	Funjek, Anton	Delta	DC-9	Orlando/Atlanta	Overpowered on ground, wanted Switzerland, pled guilty July 7, 1970; sentenced 25 yr, July 30, 1970.
(2)	Jan. 7, 1970	Rodriguez, Mariano V	(F) Iberia (Spanish)	Convair twin-engine	Madrid/Zaragoza, Spain	Wanted Albania; surrendered in Zaragoza, Spain.
(1)	Jan. 8, 1970	Belon, Christian	TWA	B-707	Paris/Rome	Landed Beirut; surrendered. Sentence: 9 mo; released Nov. 18, 1970. Sentenced to 8 mo in France; released Sept. 18, 1971.
(4)	Jan. 9, 1970	Medrano Caballero, Jorge T	(F) Rapsa (Panamanian)	C-47	David City/Bocas del Toro, Panama.	Shot and killed by militiaman when plane returned to refuel at David City.
(3)	Jan. 24, 1970	2 men, 2 women	(F) ALM (Netherlands Antilles Airlines).	Fokker F-27	Santo Domingo, Dominican Republic/Curacao, Netherlands Antilles.	
(4)	Feb. 6, 1970	Venezuela Bravo, Pedro L.; Vasquez, Omar M.	(F) LAN (Chilean)	Caravelle	Puerto Montt/Santiago, Chile	1 hijacker killed, 1 wounded; stewardess wounded by detectives disguised as crew. 2 detectives and uniformed policeman also wounded.
(3)	Feb. 16, 1970	Lopez del Abad, D.; wife and 2 children.	Eastern	B-727	Newark/Miami	Latin-type man armed with gun, homemade bomb; could not speak English.
(2)	Mar. 10, 1970	1 man, 1 woman, (wife)	(F) Interflug (East German)		East Berlin/Leipzig, GDR	Couple reportedly committed suicide when attempt failed.
(3)	Mar. 11, 1970	Stubbs, Clemmie and wife, 4 daughters.	United	B-727	Cleveland/West Palm Beach	Shot and killed while attempting to escape from prison in Cuba Mar. 26, 1973. Family returned to United States, May 30, 1974.
(3)	do	4 men	(F) Avianca (Colombian)	B-727	Bogota/Barranquilla, Colombia.	
(3)	Mar. 12, 1970	De Souza, Romulo D	(F) Varig (Brazilian)	B-707	Santiago, Chile/London England.	
(6)	Mar. 17, 1970	Divivo, John J	Eastern	DC-9	Newark/Boston	Copilot killed; captain hijacker wounded; landed safely in Boston. Committed suicide in prison, Oct. 31, 1970.
(3)	Mar. 24, 1970	Ortiz, Atilio; Herrera, Maria A	(F) Aerolineas Argentinas (Argentinian).	Comet IV (British)	Cordoba/Tucuman, Argentina.	After 9-hr repair stop in Lima Peru, landed in Cuba, Mar. 25, 1970.
(3)	Mar. 25, 1970	Won, Tyrone; Lee, Edna	(F) Charter (G/A) British Honduras).	Cessna 180	Domestic, British Honduras	Refueled in Mexico. Landed in Cuba. Won commtted suicide.
(1)	Mar. 31, 1970	Takeshi, O.; Mariaki, W.; Shiro, A.; Yasumiro, S.; Takahiro, K.; Kimihiro, A.; Takamaro, T.; Yoshizo, T.; Kintaro, Y.	(F) Japan Airlines (Japanese)	B-727	Tokyo/Fukuoka, Japan	Armed with swords, youths wanted to go to North Korea; tricked into landing in South Korea. After 4½-day wait on ground, passengers exchanged for hostages and flight continued to North Korea, Apr. 3, 1970. Crew and hostages returned, Apr. 4, 1970.
(3)	Apr. 22, 1970	Meeks, Ira D., McKinney, Dianne	Charter (G/A)	Cessna 172	Gastonia, N.C. (local)	Hijacked taxi to airport; hired plane; refueled at Rock Hill, S.C., Jacksonville, Fla., and Fort Lauderdale, Fla. McKinney arrested on July 10, 1975 in New York. Meeks arrested July 21, 1976 in New York, N.Y.; charges dismissed against Meeks and McKinney Dec. 6, 1976 (Meeks declared mentally incompetent to to stand trial).
(6)	Apr. 23, 1970	Wagstaff, J	North Central	DC-9	Pellston, Mich., Sault St. Marie, Mich.	Hijacked bus to take him to airport; got on plane where was subdued after threatening crew. Committed to mental institution.
(3)	Apr. 25, 1970	1 man	(F) Viacao Aerea de Sao Paula (Brazilian).	B-737	Brasilia/Manaus, Brazil	Refueled at Guyana and deplaned 36 passengers, 1 male "hippie" remained voluntarily and went to Cuba with crew and hijacker.
(3)	May 1, 1970	Jacobs, A.; Wiggins, R. R	(F) British West Indian Airways (Trinidad and Tobago).	B-727	Jamaica/Senegal	Originally wanted to go to Algeria but diverted to Cuba.
(1)	May 5, 1970	Verner, Pavel	(F) executive plane (G/A) (Czechoslovakian).		Pribram/Kosice, Czechoslovakia.	Junior executive for Czech uranium plant knocked out his boss and stabbed pilot; wanted to go to West Germany for job but diverted to Linz, Austria. Sentenced to 1 yr, Sept. 2, 1970.
(3)	May 12, 1970	De Los, Santos, V.; Frias, Enrique; Nina, Miguel A.; Veloz, Arsenio; Taveras, F. Ventura; plus 2 other men.	(F) Dutch Fokker Antillean Airlines (ALM) (Netherlands Antilles).	F-27	Santo Domingo, D.R./Curacao, Netherlands Antilles.	Dutch revolutionaries.
(2)	May 14, 1970	Perrotis, Theodore N	(F) Australian		Sydney/Brisbane, Australia	Girl, 6, accidentally opened emergency exit door on plane as hijacker was threatening pilot with toy gun while plane on ground at Sidney Airport. Passengers escaped. Hijacker surrendered. Sentenced to 5 yr, Oct. 30, 1970.
(3)	do	1 man	(F) Viacao Aerea Sao Paulo (Brazilian).	B-737	Brasilia/Manaus, Brazil	Refuel at Guyana and Curacao; hijacker armed with pistol and explosives.
(3)	May 21, 1970	Silva Mahecha, D.; Silva Mahecha, A.; Silva Mahecha, M.; Patino Hormaza, J.	(F) Avianca (Colombian)	DC-3	Yopal/Sogamozo En Boyaca, Colombia.	Stopped unexpectly in Barrancabermeja and later refueled in Barranquilla.
(3)	May 24, 1970	Preskovski, V.L.P. Mendez, Selva A.; Navarrete, F.; Pineda, L. E. P.	(F) Mexicana de Aviacion (Mexican).	B-727	Merida/Mexico City, Mexico	
(3)	May 25, 1970	Quesada, G., with son	Delta	CV-880	Chicago/Miami	Woman was armed with .38 caliber revolver, took over plane after Atlanta takeoff.
(3)	do	Molina, N	American	B-727	Chicago/New York	Refueled at J. F. K. in New York and deplaned passengers.
(1)	May 30, 1970	Stellini, Gianlucca	(F) Alitalia (Italian)	DC-9	Genoa/Rome, Italy	Used toy pistol, landed in Cairo.
(3)	May 31, 1970	Sanchez, Jose Armando; Bueno, Berta with 5 children.	(F) Avianca (Colombian)	AVRO-748	Bogota/Bucaramaga, Colombia.	
(6)	June 4, 1970	Barkley, Arthur G	TWA	B-727	Phoenix/Washington, D.C	Landed Dulles for $100,000 ransom; departed for upstate New York, returned for more ransom and was captured; armed with pistol, knife and can of fluid; pilot and hijacker wounded. Acquitted Nov. 16, 1971.

See footnotes at end of table.

Results	Date	Name	Airline	Type aircraft	Flight plan	Disposition
(1)	June 5, 1970	Ivanicki, Zbiginew	(F) LOT (Polish)	AN-24 (Soviet)	Stettin-Gdansk, Poland	Landed Copenhagen, Denmark. Hijacker tried by Danish court and sentenced to 3½ yr, Jan. 4, 1971.
(1)	June 8, 1970	Cihakova, Stanislava; Cihak, Rudolf; Calasek, Jini; Porer, Jaroslav; Klementova, Vera; Galaskova, Eva; Cihakova, S.; Prochazkova, Marie, plus 1 child.	(F) CSA (Czechoslovakian)	IL-14	Karlovy Vary/Prague, Czechoslovakia.	Landed Nuremberg, Germany; asked for political asylum. Tried in Munich, Germany. Convicted and sentenced to terms ranging from 2½ yr to 8 mo.
(2)	June 9, 1970	Jasinski, Roman; Rybak, Andrzej	(F) LOT (Polish)		Katowice/Warsaw, Poland	Foiled by crew.
(1)	June 21, 1970	Mollahzadeh, Ali; Mollahzadeh, Hassan; Hamidi Asl, Maswd.	(F) Iranian National Airline	B-727	Teheran/Abadan, Iran	Landed Baghdad, Iraq.
(1)	June 22, 1970	Xhaferi, Haxhi	Pan American	B-707	Beirut, Lebanon/Rome, Italy	Landed Cairo, United Arab Republic. Arrested in Los Angeles, Calif. Feb. 15, 1973. Sentenced to 15 yr, June 8, 1973.
(3)	June 26, 1970	Cardenas, Jairo; Carrillo del Castro, Mauricio E.	(F) Avianca (Colombian)	B-727	Cucuta/Bogota Colombia	
(3)	July 1, 1970	Lopez, G	National	DC-8	San Francisco/Miami	Hijacked by armed man after stop in New Orleans; 4 servicemen passengers roughed up at Jose Marti Airport. Hijacker boarded plane in Las Vegas, Nevada.
(4)	do	Palha Freire, Eiraldo; Palha Freire, Fernando; Viera Souza, Colombo; plus 1 woman.	(F) Cruzeiro do Sul (Brazilian)	Caravelle	Rio de Janeiro/San Paulo, Brazil.	Captured by Brazilian authorities; hijackers hoped to exchange passengers for jailed terrorists.
(3)	July 4, 1970	Afraytes, Carlos A	do		Belem/Macapa, Brazil	At Cayenne, French Guiana; allowed 40 to 56 passengers to leave plane. At Georgetown, Guiana, the remaining 16 were allowed to deplane.
(1)	July 12, 1970	Al Harbi, Fahad Bakheet Salem	(F) Saudi Arabian	B-707	Riyadh, Saudi Arabia/Beirut, Lebanon.	Landed Damascus, Syria.
(2)	July 22, 1970	Hardin, George (S)	(F) Air Vietnam (South Vietnamese).	DC-4	Peiku/Saigon, South Vietnam	Held pilot at knifepoint for 2 hr before surrendering; air let out of tires; all occurred at Tan San Nhut Airport.
(1)	do	Abdel Megid, Farid; Abdel Megid, Mona; Fakhi, Yusef; Abul Abd, Khaled; Abul Walid, Khaled; Seif Ed Din, Mansur.	(F) Olympic (Greek)	B-727	Beirut, Lebanon / Athens, Greece.	Released passengers after promise of Greek Government to release 7 Arab terrorists; flew plane to Cairo.
(2)	July 25, 1970	De Campos, L.; Da Silva, A	(F) Etapa Air Taxi (G/A) (Portuguese).		Porto Amelia, Mozambique/Island of Ibo.	Attempted hijacking to Tanzania. Landed Ibo. Hijackers captured Mar. 2, 1972 sentenced to 14 yr.
(3)	do	4 men	(F) Aeronaves de Mexico (Mexican).	DC-9	Alcapulco/Mexico City, Mexico.	Made 30 minute refueling stop in Mexico City; no one deplaned.
(4)	July 28, 1970	Jorado Albornoz, Fermin	(F) Aerolineas Argentinas (Argentinian).	B-737	Salta/Buenos Aires, Argentina.	Hijacker pulled 2 pistols; plane refueled at Cordoba where 23 of 48 passengers deplaned. Refueled again at Mendozo. Andes snowstorm forced plane back to Cordoba where hijacker surrendered to police.
(2)	Aug. 2, 1970	Rivera Rios, Rudolfo	Pan American	B-747	New York/San Juan	Displayed "gun" and bottle of fluid; took hostage as he and stewardess remained outside cockpit door.
(2)	Aug. 3, 1970	Huber, Johann	do	B-727	Munich/West Berlin GFR	Threatened crew with gun: wanted to go to Budapest; was told plane did not have enough fuel and he was convinced. Mental institution. Released Nov. 13, 1970.
(2)	Aug. 7, 1970	Frej, Waldemar	(F) Polish		Szcregin/Katowice, Poland	Hijacker with grenade denied entry into cockpit; landed in East Berlin; wanted to go to Hamburg. Extradited to Poland, sentenced Sept. 19, 1970, to 8 yr for aircraft hijacking and 5 yr for rape and blackmail.
(1)	Aug. 8, 1970	Rehak, Valdimir; Rehak, Jaromir; Rehak, Valdimir (son).	(F) Czechoslovakian	IL-14	Prague/Bratislava, Czechoslovakia.	Landed in Vienna, Austria.
(3)	Aug. 19, 1970	Arrue-Martinez, J.; Ramos-Cobas, J.; Torres-Llurdan, B.	Trans Caribbean	DC-8	Newark/San Juan	
(4)	do	Inagaki, Sachio	(F) All Nippon (Japanese)	B-727	Nagoya/Sapporo, Japan	Ordered plane to land at Hamamatsu Air Defense Base, demanded rifle ammunition in possible suicide plot; woman passenger feigned Pregnancy pains and in confusion police came aboard and overpowered hijacker who had only toy pistol.
(1)	do	Krynski, Krbystov plus 2 men and 2 women.	(F) LOT (Polish)	IL-14	Gdansk/Warsaw, Poland	1 hijacker had hand grenade; landed at Danish Island of Bornholm; asked for asylum.
(3)	Aug. 20, 1970	Graves, Gregory (S)	Delta	DC-9	Atlanta/Savannah	Said he had a bomb in his lap but no one saw it. Arrested on June 1, 1975. Flown to Georgia to stand trial. Convicted of aircraft piracy. Sentenced to 20 yr.
(3)	Aug. 24, 1970	Labadie, Robert (S)	TWA	B-727	Las Vegas/Philadelphia	Said he had a bomb; landed in Pittsburgh for refuel but no one allowed off plane. Found incompetent Dec. 28, 1970, released Oct. 30, 1973.
(3)	Aug. 26, 1970	Olma, Rudolph with wife and child.	(F) LOT (Polish)	AN-24	Katowice/Warsaw, Poland	Threatened crew with bomb, which accidentally exploded injuring hijacker and 10 passengers; wanted to go to Vienna; plane landed safely at Katowice. Sentenced to 25 yr, Apr. 8, 1971.
(1)	Aug. 31, 1970	Boultif, Rabah; Layachi, Allova; Tovanti, Muhamed.	(F) Air Algeria	CV-640	Annaba/Algiers, Algeria	Refueled in Sardinia and Italy; wanted to go to Albania, which refused landing; went on to Yugoslavia where they asked for asylum.
(1)	Sept. 6, 1970	2 men	TWA	B-707	Frankfurt, Germany/New York.	Palestinian guerrillas hijacked plane after boarding at Frankfurt; taken to Dawson Field, Jordan; plane blown up Sept. 12, 1970. Boarded at Frankfurt.
(1)	do	do	(F) Swissair (Swiss)	DC-8	Zurich, Switzerland/New York.	Palestinian guerrillas hijacked plane near Paris; taken to Dawson Field, Jordan; blown up Sept. 12, 1970. Boarded at Zurich.
(2)	do	Ali, Sa'id Ali; Ibrahim, Samir Abdel Majid; Khalil, Mazir Abu Mehanid.	Pan American	B-747	Amsterdam, Netherlands/New York.	2 original hijackers joined by 7 others in Beirut during refueling; blown up in Cairo Sept. 7 1970. Boarded at Amsterdam.
(1)	do	Khaled, Leila; Arguello, Patrick	(F) El Al (Israeli)	B-707	Tel Aviv, Israel/New York	Armed El Al steward shot and killed male hijacker, female was overpowered by passengers; plane landed in London, Miss Khaled helped hijack TWA plane to Syria, Aug. 28 1969. Boarded Amsterdam.
(1)	Sept. 9, 1970	Haddad, M. J.; Ahmed, A. M. S.; Hassan, H. M.	(F) BOAC (United Kingdom)	VC-10	Bombay, India/London, England.	Palestinian guerrillas forced plane to refuel in Beirut before going to Dawson Field; plane blown up Sept. 12, 1970. Boarded at Bahrain.
(2)	Sept. 10, 1970	3 Arabs	(F) Egyptian		Beirut, Lebanon/Cairo, Egypt.	Apprehended by security officers aboard aircraft shortly after hijacking attempt was initiated.
(2)	Sept. 12, 1970	1 man (Chadian)	(F) Egyptian		Tripoli, Libia/Cairo, Egypt	Apprehended by security officers aboard aircraft while airborne shortly after hijacking attempt was initiated.
(1)	Sept. 14, 1970	Mamuzsits, Janos; Karaczony, Geza; Biro, Miklos; Biro, Piroschka; plus 2 children	(F) TAROM (Romanian)		Bucharest, Romania/Prague, Czechoslovakia.	Landed in Munich, GFR. P. Biro found innocent. The other 3 hijackers sentenced to 2½ yr by GFR court Jan. 20, 1971.

See footnotes at end of table.

CIVIL AVIATION SECURITY SERVICE—Continued

FEDERAL AVIATION ADMINISTRATION—DOMESTIC AND FOREIGN AIRCRAFT HIJACKINGS (AS OF JAN. 1, 1977)

Results	Date	Name	Airline	Type aircraft	Flight plan	Disposition
(2)(5)	Apr. 9, 1972	Speck, S.	Pacific Southwest	B-727	Oakland/San Diego	Extortion attempt $500,000. Hijacker captured at San Diego. Committed to mental institution Dec. 19, 1972. Discharged June 14, 1973.
(4)	Apr. 8, 1972	Bustamente J; Vallejos, Juan A.	(F) Faucett (Peru)	B-727	Piura/Chiclayo, Peru	Overpowered and disarmed by crew.
(2)	Apr. 13, 1972	Chavez-Ortiz, R.	Frontier	B-737	Albuquerque/Phoenix	Sentenced to life imprisonment on July 24,1972. Sentence reduced to 20 yr Nov. 29, 1972
(5)	Apr. 16, 1972	Ojeda-Perez, A.	Prinair (G/A)	DH-114	Ponce/San Juan	Captured at boarding ramp. Sentenced to 2 yr Aug. 18, 1972. Released Jan. 10, 1974.
(2)	Apr. 17, 1972	Smith, K. L.	Alaska	B-727	Seattle/Annette Island, Alaska.	Captured. Released from mental institution July 10, 1973.
(2)	do	Maimone, M. V.	(F) Swissair (Swiss)	DC-9	Geneva, Switzerland/Rome, Italy.	Captured at Rome. United States and Italian citizenship. Sentenced to 2 yr and 3 mo Mar. 8, 1973. Released Mar. 14, 1973 on provisional liberty after posting 3,000,000 lire bail.
(2)(5)	do	Greene, W. H.	Delta	CV-880	West Palm Beach/Chicago	Extortion attempt $500,000. Surrendered at Chicago. Sentenced to 20 yr Sept. 25, 1972.
(1)	Apr. 18, 1972	Dolezal, K., Larch, A.	(F) Czechoslovakian	L-410	Prague/Marienbad Czechoslovakia.	Landed Nuremberg, Germany. Pilot wounded. 7 yr imprisonment July 31, 1972. Political asylum denied by West Germany April 1973.
(1)(5)	May 3, 1972	Aidan, Iashar M.; Akcha, Ainoulla A.; Shemshek, Seffer A.; Youlmaz, Mehmed H.	(F) Turkish	DC-9	Ankara/Istanbul, Turkey	Objective: Free 3 imprisoned members of Turkish Liberation Army. Surrendered at Sofia, May 4, 1972. Sentenced to 3 yr Nov. 3, 1972
(1)(5)	May 5, 1972	Hahneman, F. W.	Eastern	B-727	Allentown, Pa./Washington, D.C.	$303,000 extortion. Parachute jump Honduras May 6, 1972. Surrendered in Honduras June 2, 1972. Sentenced to life imprisonment Sept. 29, 1972.
(5)	May 5, 1972	Hansen, M. L.	Western	B-737	Salt Lake City/Los Angeles	Returned to New York from Cuba via Barbados on June 14, 1975. In custody in Los Angeles. Sentenced to 10 yr on Dec. 23, 1975.
(2) (4)	May 8, 1972	Tannous, Rima I.; Halaseh, Threse I.; and 2 males (Arab guerrillas).	(F) Sabena (Belgian)	B-707	Brussels, Belgium/Tel Aviv, Israel.	Objective: Free imprisoned Palestinian guerrillas. 2 male hijackers killed and 2 females wounded by Israeli authorities on May 9, 1972. 1 passenger killed. 2 females sentenced to life August 14, 1972.
(2)(5)	May 23, 1972	Baguero Cornejo, J.V	(F) Ecuadorian	Electra turbo-prop	Quito/Gayaquil, Ecuador	Hijacker killed at Quito. Had demanded $39,000 and 2 parachutes.
(2)(5)	May 24, 1972	Kamil, F. H. A.; Yaghi, A. J.; (Lebanese).	(F) South African	B-727	Salisbury, Rhodesia/Johannesburg, South Africa.	Aircraft flown to Blantyre, Malawi. On May 25, 1972, all passengers and crew escaped. On May 26, 1972, police overpowered hijackers. Sentenced September 18, 1972 to 11 yr. Released by Malawi and deported to Zambia May 21, 1974.
(2)(5)	May 28, 1972	Savvakis, E.	(F) Olympic (Greek)	B-707	Iraklion, Crete/Athens, Greece.	Objective: Ticket to London medical treatment there and money at Athens. Police rushed aircraft and seized hijacker. Sentenced to 2 yr February 10, 1973.
(2)(5)	May 30, 1972	Silva, G. D. J.	(F) Varig (Brazilian)	Electra L-188	San Paulo/Porto Alegre, Brazil.	$250,000 plus 3 parachutes, extortion attempt. Troops rushed plane. Hijacker killed himself with pistol.
(1)(5)	June 2, 1972	Holder, W.; Kerkow, K. M.	Western	B-727	Los Angeles/Seattle	$500,000 extortion. Aircraft landed San Francisco. Ransom delivered. Changed to B-720. Aircraft flew to Algiers, Algeria, with stop at New York. Hijacker under Algerian control. Ransom returned July 28, 1972. Arrested in Paris, France, January 24, 1975. Extradition refused by French court on April 14, 1975. French will try them for hijacking. No date set.
(2)(5)	do	Heady, R. D.	United	B-727	Reno/San Francisco	Extortion attempt: $200,000 captured after parachute jump. Sentenced to 30 yr August 25, 1972.
(1)	June 8, 1972	7 men, 3 women, 1 child	(F) Czechoslovakian	L-410	Marianske Lazne (Marienbad)/Prague, Czechoslovakia.	Destination Nuremberg, killed pilot, injured copilot. Landed small airfield inside West Germany. 2 males in custody. January 1973, 1 committed suicide in prison. 9 convicted on December 14, 1973 sentenced to terms ranging from 3 to 7 yr.
(1)(5)	June 23, 1972	McNally, J. M.; Petlikowsky, W.J.	American	B-727	St. Louis/Tulsa	Extortion: $502,000. Parachuted vicinity Peru, Ind. Apprehended June 28, 1972. Petlikowsky not on hijacked aircraft. Sentenced to 10 yr for aiding and assisting May 18, 1973. McNally sentenced to life Dec. 14, 1972.
(2)(5)	June 30, 1972	Carre, D. B.	Airwest	DC-9	Seattle/Portland	Extortion attempt; $50,000. Apprehended at Portland. Committed to mental institution July 5, 1972.
(2)	July 2, 1972	Nguyen Thai Binh	Pan American	B-747	Honolulu/Saigon, South Vietnam.	Hijacker killed at Saigon.
(2)	July 5, 1972	Smith, C.	American	B-707	None	Hijacker boarded parked empty aircraft at Buffalo, N.Y., demanded to be flown out of the area. Persuaded to surrender. Convicted in State court of custodial interference June 7, 1973. Sentenced to 5 yr probation July 18, 1973.
(2)(5)	do	Alexiev, D. K.; Azamanoff, M. D.; Peichev, L.	Pacific Southwest	B-737	Sacramento/San Francisco	Extortion attempt; $800,000. Hijackers killed by FBI. 1 passenger killed, 2 wounded Peichev not on hijacked aircraft. Dec. 21, 1972. Peichev sentenced to life plus 20 yr concurrent for aiding, abetting, and conspiring in the acts.
(5)(5)	July 6, 1972	Goodell, F. M. (S)	do	B-727	Oakland/Sacramento	Extortion attempt: $450,000. Hijacker surrendered. Convicted of air piracy and use of firearm to commit a felony Jan. 17, 1973. Sentenced to 25 yr plus 5 yr Feb. 12, 1973.
(4)(5)	July 10, 1972	Bachalt, N.	(F) Lufthansa (West German)	B-737	Cologne/Munich, German Federal Republic.	Extortion attempt: $400,000. Apprehended abroad aircraft.
(2)(5)	July 12, 1972	Green, M.; Tesfa, L.	National	B-727	Philadelphia/New York	Extortion attempt: $600,000. Surrendered. Green, convicted June 19, 1973; sentenced to 50 yr Mar. 18, 1974. Tesfa sentenced to 60 yr, Dec. 2, 1974.
(2)(5)	do	Fisher, M.	American	B-727	Oklahoma City/Dallas	Extortion attempt: $550,000. Surrendered. Sentenced to life imprisonment Sept. 28, 1972.
(2)	do	1 man	(F) UTA (French)		Abidjan, Ivory Coast/Paris, France.	Aircraft diverted prior to landing at Abidjan, denying man opportunity to hijack it. Man shot and apprehended after he shot his wife.
(1)(5)	July 31, 1972	McNair, Melvin; McNair, Jean; Wright, George; Brown, George; Burgess, Joyce; 3 children.	Delta	DC-8	Detroit/Miami	$1,000,000 extortion. Refueled Boston. Landed Algiers Aug. 1, 1972. Ransom returned Aug. 23 1972. 3 children returned to United States December 1972. M. McNair, J. McNair, G. Brown, and J. Burgess arrested in Paris May 28, 1976.

See footnotes at end of table.

Results	Date	Name	Airline	Type aircraft	Flight plan	Disposition
(1)	Aug. 15, 1972	9 men, 1 woman	(F) Austral (Argentinian)	BAC-111	Trelew/Buenos Aires, Argentina.	10 terrorists and convicts who escaped from a prison in south Argentina hijacked a jetline at Trelew, refueled at Puerto Monte, Chile then flew to Santiago. Chile granted political asylum and allowed hijacker to fly to Cuba on a Cuban jetliner.
(2)(3)	Aug. 18, 1972	Sibley, F	United	B-727	Reno/San Francisco	Shot and captured by FBI at Seattle. Convicted Oct. 18, 1972. Sentenced to 30 yr Feb. 28, 1973.
(1)	Aug. 22, 1972	2 men, 1 woman	(F) A. Yemda (Southern Yemen)	DC-6	Beirut, Lebanon/Cairo, Egypt/Aden, South Yeman.	Landed Benghazi, Libya.
(3)	Aug. 25, 1972	4 men	(F) Opita Air Taxi (TAO) (Co.ombian).		Neiva/Bogota, Colombia	Refueled Barrancabermeja, Colombia.
(1)(3)	Sept. 15, 1972	Lisac, Nikila; Rebrina, Tomislav; Preskalo, Rudolf.	(F) Scandinavian Airlines System (Swedish).		Gateborg/Stockholm, Sweden.	$105,000 and release of 6 convicts. Aircraft hijacked to Madrid, Spain. All 9 Croation nationalists surrendered. 3 hijackers sentenced to 12 yr by Spanish court Dec. 4, 1972. Pardoned Feb. 13, 1975.
(2)(3)	Oct. 6, 1972	Boccaccio, Ivano	(F) Aerotrasporti Italiani (Italian).	F-27	Ronchi Del Legionari/Bari, Italy.	$344 extortion. Hijacker killed aboard aircraft during gun battle with police at Ronchi. 1 policeman wounded.
(2)(3)	Oct. 11, 1972	Schuetz, Friedhelm	(F) Lufthansa (West German)	B-727	Lisbon, Portugal/Frankfurt, GFR.	Demanded several thousand marks and a car at Frankfurt. Claimed to have a bomb. Shot and captured while moving to car.
(1)(3)	Oct. 22, 1972	4 men (Turks)	(F) Turkish	B-707	Istanbul/Ankara, Turkey	Landed Sofia, Bulgaria. Threatened to blow up plane unless 13 prisoners freed and reforms by Turk Government. Pilot and 1 passenger wounded. Surrendered late on Oct. 23, 1972. Sentenced to 2-2½ yr Feb. 2, 1973.
(3)	Oct. 29, 1972	Tuller, C.; Tuller, B. (S); Tuller, J.; Graham, W. (S).	Eastern	B-727	Houston/Atlanta	Killed ticket agent; wounded ramp serviceman. Forced way aboard. Tullers apprehended. To be tried in Houston on charges of aircraft piracy. Tullers found guilty of air piracy on June 24, 1976.
(1)(3)	do	El Shahed, Samir Arif; Saleh, Mahmoud.	(F) Lufthansa (West German)	B-727	Beirut, Lebanon/Ankara, Turkey.	Demanded release of 3 male Arabs, imprisoned for involvement in slaying of 11 Israelis at Munich Olympics. Landed Zagreb, Yugoslavia. Prisoners boarded. Flew to Tripoli, Libya.
(4)(3)	Nov. 6, 1972	Nakaoka, Tatsuji	(F) Japan Airlines	B-727	Tokyo/Fukuoka, Japan	Demanded $2,000,000 and flight to Cuba or would blow up plane. Returned to Tokyo to get ransom and change to DC-8. Captured by police when entered DC-8. Sentenced to 20 yr Mar. 13, 1974.
(1)(3)	Nov. 8, 1972	Segovia, German; Rodriguez Moya, Ricardo; plus 2 other men.	(F) Mexicana de Aviacion (Mexican).	B-727	Monterrey/Mexico City, Mexico.	Demanded release of 6 terrorist colleagues being held in prison, 4,000,000 pesos ($320,000), 2 machine guns with ammunition and a doctor to accompany wounded prisoner. Returned to Monterrey. All demands met. Flew to Cuba. Reportedly ransom and weapons returned Feb. 1. 1973.
(2)(3)	Nov. 10, 1972	Jackson, H.; Cale, L. and M	Southern	DC-9	Birmingham/Montgomery	Demanded $10,000,000, 10 parachutes, food, etc. Landed several places to refuel. Landed Havana Nov. 11, 1972. Again left Havana; flew to 2 U.S. airports. Refueled; returned to Havana. Passengers released; copilot shot and wounded. Sentenced in Cuba. Jackson and L. Cale 20 yr, and M. Cale 15 yr Sept. 27, 1973.
(2)	Nov. 15, 1972	Hrabinec, Miloslav	(F) Ansett Airlines (Australia)	F-27	Adelaide/Darwin, Australian	Demanded a light aircraft and a parachute at Alice Springs Airport. Shot by police when in light aircraft. Finally shot and killed himself. 1 policeman wounded.
(2)(3)	Nov. 24, 1972	Widera, Victor	(F) Air Canada (Canadian)	DC-8	Frankfurt, Germany/Montreal, Canada.	Hijacking initiated on the ground at Frankfort. Demanded release of a Czech being held by West Germany for hijacking a plane from Prague to Nuremberg. Also demanded release of several other Czechs. Held stewardess hostage. Shot and killed aboard aircraft by police marksmen.
(2)	Dec. 8, 1972	5 men and 2 women	(F) Ethiopian Airlines, S.C. (Ethiopian).	B-720	Addis Ababa/Asmara, Ethiopia.	When 1 of the hijackers announced the hijacking, security guards opened fire. 6 hijackers killed. Hijackers exploded 1 hand grenade which tore hole in floor of plane, stopped 1 engine and injured rudder, 7 passengers and 2 stewardesses wounded. Plane landed safely at Addis Ababa. 1 wounded female hijacker in custody.
(2)	Dec. 14, 1972	Stanford, Larry Maxwell	(F) Quebecair (Canadian)	BAC-111	Wabush/Montreal, Canada	Hijacker pointed rifle at stewardess. Required pilot to fly to Montreal then shuttle between Montreal and Ottawa. Passengers released. Hijacker surrendered after 10 hr. Convicted Apr. 26, 1973.
(2)	Jan. 2, 1973	Wenige, Charles A	Piedmont	YS-11A	Washington, D.C. (DCA)/Baltimore.	Hijacking initiated while on the ground at Baltimore. Hijacker surrendered after several hours negotiations at Baltimore. Sentenced to 20 yr Feb. 16, 1973.
(2)(3)	Jan. 4, 1973	Neilson, C. K	(F) Pacific Western (Canadian)	Convair	Vancouver/Penticton, Canada	$2,000,000 extortion and passage to North Vietnam. Hijacking initiated on ground at Vancouver. Passengers released. Police boarded and arrested hijacker while still at Vancouver.
(4)	Apr. 24, 1973	1 man	(F) Aeroflot (U.S.S.R.)	TU-104	Leningrad/Moscow, U.S.S.R.	Copilot and hijacker killed when device held by hijacker exploded. Aircraft reportedly landed safely at Leningrad.
(3)	May 18, 1973	Botini Marin, Federico; 2 other men and 1 woman.	(F) Āvensa (Venezuelan)	Corvair-580	Valera/Barquisimeto, Venezuela.	Landed in Curacaco, Panama, and Mexico. Threatened to blow up plane unless 79 Venezuelan prisoners were flown to Cuba. Demand refused. Aircraft, passengers, and crew returned from Cuba May 20, 1973.
(2)	May 25, 1973	1 man	(F) Aeroflot (U.S.S.R.)	TU-104	Moscow/Chita, U.S.S.R.	Aircraft crashed in southern Siberia. Number aboard unknown. No survivors.
(1)	May 30, 1973	Lopez Dominguez Francisco Solano Borjas Gonzales. Oscar Eusebio.	(F) SAM (Colombian)	Electra	Pereira/Medellin. Colombia	Threatened to blow up plane unless $200,000 ransom was paid and 140 Colombian prisoners were released. Landed several places in South America. Groups of passengers released or escaped at various stops. Hijackers received $50,000 but no prisoners released. Hijackers finally on June 2, 1973, left the aircraft and escaped. Lopez Dominguez captured June 8, 1973.
( )	June 10, 1973	Bhattari, Basanta: Subedi, Prasad; Dhungel, Nagendra P.	(F) Royal Nepal Airlines (Nepalese).	Twin Otter	Biratnagar/Kathmandu, Nepal.	Landed near Forbesganj, Bihar, India. Hijackers escaped into the jungle with 3,000,000 Indian rupees (approximately $400,000) which was being transported by a Nepal state bank. Some have been arrested but none of these listed.

See footnotes at end of table.

CIVIL AVIATION SECURITY SERVICE—Continued

FEDERAL AVIATION ADMINISTRATION—DOMESTIC AND FOREIGN AIRCRAFT HIJACKINGS (AS OF JAN. 1, 1977)

Results	Date	Name	Airline	Type aircraft	Flight plan	Disposition
(3)	July 4, 1973	Mazor, Basilio J	(F) Aerolineas Argentinas (Argentinian).	B-737	Buenos Aires/Tucuman, Argentina.	Demanded $200,000 in Government grants to medical agenc es. Government refused. Landed Mendoza, Argentina, Santiago, Chile, Lima, Peru, Panama City, Panama, and finally Havana, Cuba. Passengers released at various stops.
(1)	July 11, 1973	Clark, Daniel (S	Charter (GA)	Bell 47-G5, helicopter.	Gainesville, Tex./Marietta, Okla.	Chartered helicopter. After flying over Marietta area, forced pilot at pistol point to fly to Wichita Falls, Tex. Captured in Dallas, Tex. July 13, 1973. Sentenced to 20 yr. under Federal Youth Corrections Act February 11, 1974.
(1)	July 20, 1973	4 men and 1 woman	(F) Japan Air Lines (Japanese)	B-747	Amsterdam, Netherlands/Anchorage, Alaska.	Woman hijacker killed and purser wounded in accidental explosion of explosive carried by woman. Landed Dubai, United Arab Emirates about 2130Z July 20, 1973. Aircraft and all passengers and crew, except dead woman and wounded purser held. Aircraft refueled and took off at about 2010Z July 23, 1973. Refueled at Damascus, Syria. Finally landed at Benghazi, Libya, where all passengers and crew were released and the aircraft was blown up. 4 male hijackers arrested by Libyan authorities. Hijacker released and flown to Damascus August 13, 1974.
(1)	Aug. 16, 1973	A-Touni, Mahmoud	(F) Middle East Airlines (Lebanese).	B-707	Benghazi, Libya/Beirut, Lebanon.	Landed Tel Aviv, Israel. While the hijacker's attention was diverted, Israeli security personnel boarded the aircraft and captured him. Committed to a mental institution Dec. 11, 1973.
(1)	Aug. 25, 1973	Abu Bakr, Nasser Ahmed	(F) Yemen Air Lines (Yemeni)	DC-6	Taiz, Yemen/Asmara, Ethiopia.	Landed Kuwait after refueling at Djibouti. Hijacker surrendered after authorities guaranteed his safety in Kuwait.
(2)	Oct. 2, 1973	Stremmer, Franz-Josef	(F) Royal Dutch Airlines (Netherlands).	DC-9	Duesseldorf, West Germany/Amsterdam, Netherlands.	Hijacker disarmed while talking to pilot. Hijacker arrested when plane landed at Amsterdam.
(2)	Oct. 10, 1973	Garcia Perez, Roberto	(F) Mexicana (Mexican)	B-727	Mexico City/Monterrey, Mexico.	Security officer dressed as a crewman boarded aircraft and captured hijacker before takeoff from Mexico City.
(1)	Oct. 11, 1973	Riga, Roger; Naval, Armando; Montojo, Basilio.	(F) Philippine Air Lines (Philippines).	BAC-111	Davao/Bacolod, Philippines	Took airline president hostage in exchange for passengers. Landed Hong Kong. Hijackers granted amnesty by Philippine Government and surrendered.
(3)	Oct. 18, 1973	Cravenne, Daniele	(F) Air France (French)	B-727	Paris/Nice, France	Landed Marseille. 110 passengers and all but 2 crew released. French police boarded disguised as stewards and shot, wounded, and captured the hijacker. She died on the way to the hospital.
(4)	Oct. 20, 1973	Pagola, Nicolini Mario; Sienrra Mata, Luis Arturo; Pedroso Silva, Mirtha Susana; Biere Diaz, Lidia Elena.	(F) Aerolineas Argentinas (Argentinian).	B-737	Buenos Aires/Salta, Argentina.	Landed Yacuiba, Bolivia. Released all but 5 persons and demanded a smaller plane to go to Cuba. Bolivia officials refused. Oct. 22, 1973 released hostages and surrendered after promise of safe conduct to Cuba.
(4)	Oct. 31, 1973	Lorenzo, Jose Gabriel	(F) Avensa (Venezuelan)	DC-9	Barquisimeto/Caracas, Venezuela.	Threatened stewardess with pistol. When pilot told hijacker he was about to land at Caracas and had little fuel, the hijacker shot and seriously wounded himself.
(3)	Nov. 2, 1973	4 persons	(F) Aeroflot (U.S.S.R.)	YAK 40	Bryansk/Moscow, U.S.S.R.	Landed Moscow. Demanded $1,000,000 and flight to Sweden. After 5 hr of negotiations police stormed the aircraft, killed 2 of the hijackers and captured the other 2.
(1)	Nov. 25, 1973	Darwish, Fawzi; Al-Sanuri, Husayn Ahmad; Zhbgeen, Isnu.	(F) Royal Dutch Airlines (Netherlands).	B-747	Beirut, Lebanon/New Delhi, India.	Landed Dubai after stops at 4 other countries. Demanded release of jailed Arabs in Cyprus and guarantees that Dutch would not assist Israel in war efforts and Jewish emmigration. On Nov. 28, 1973 released remaining 11 hostages and surrendered after promise of safe passage to undisclosed country.
(3)	Dec. 1, 1973	Buholzer, Daniel	(F) Swissair (Swiss)	DC-8	Geneva/Zurich, Switzerland	Landed Geneva. Demanded $50,000 for starvation threatened Africa, a ticket to New York and safe conduct. Released all but 4 crew. Police boarded posing as newsmen requested by hijacker and quickly overpowered hijacker.
(1)	Dec. 17, 1973	5 men	(F) Lufthansa (West German)	B-737	Rome, Italy/Munich, Germany	Fired weapons in terminal Rome Airport. Took 6 hostages, threw incendiary grenades into a Pan Am B-707 boarding passengers. 30 killed. Killed a guard and boarded Lufthansa aircraft; only crew aboard. Landed Athens, Greece, threw off dead body of 1 hostage. Demanded release of 2 Arabs being held for August 1973 attack at Athens Airport. Greeks refused. Refueled at Damascus, Syria. Flew to Kuwait and surrendered after allegedly receiving safe conduct guarantee. Released as ransom in Nov. 22, 1974 hijacking of British Airways VC-10. All taken into Tunisian custody, Nov. 25, 1974.
(3)	Jan. 3, 1974	Sanchez, Rodobaldo S	(F) Air Jamaica (Jamaican)	DC-9	Kingston, Jamaica/Detroit, Mich.	Went through a shop area, avoided terminal and boarded. When asked for his ticket, threatened to blowup aircraft unless flown to Miami, Fla. Claimed to have a hand grenade wrapped in a handkerchief. Overpowered by security guards before takeoff.
(3)	Jan. 21, 1974	Tapia Carrion, J	(F) Aeropesca (Colombian)	Vickers Viscount	Pasto/Popayan, Colombia	23 passengers released and refueled at Cali. 4 passengers released, 2 tires changed and aircraft refueled at Barranquilla.
(3)	Feb. 20, 1974	Nguyen, Cuu Viet	(F) Air Vietnam (South Vietnamese).	DC-4	DaLat/DaNang, South Vietnam.	Landed Hue, South Vietnam, after pilot convinced hijacker that fuel was needed, engines were malfunctioning and that they should land at Dung Ha (a North Vietnamese controlled area). Hijacker and 2 others killed when hijacker detonated explosives he had been carrying, after realizing they had landed at Hue.
(4)	Feb. 22, 1974	Byck, Samuel J	Delta	DC-9	Baltimore/Atlanta	Hijacker shot and killed an airport policeman Then boarded the aircraft and shot and killed copilot and wounded pilot. An airport policeman from outside the aircraft shot through the door's glass porthole and hit the hijacker twice in chest. Hijacker then shot and killed himself.

See footnotes at end of table.

Results	Date	Name	Airline	Type aircraft	Flight plan	Disposition
(1)	Mar. 3, 1974	Nuri, Adnan A.; Tanima, Sami H.	(F) British Airways (United Kingdom).	VC-10	Beirut, Lebanon/London, England.	Landed Amsterdam, Netherlands. Allowed passengers and crew to deplane. Threw inflammable liquids including plane's liquor supply around cabin and set plane on fire. Captured running from plane. Sentenced to 5 yr, June 6, 1974. Released as ransom in Nov. 22, 1974 hijacking of British Airways aircraft. All taken into Tunisian custody, Nov. 25, 1974.
(2)	Mar. 12, 1974	Owaki, Katsuhito	(F) Japan Airlines (Japanese)	B-747	Tokyo, Japan/Naha, Okinawa.	Landed Naha. Demanded $55,000,000 (200,000,000 yen), 15 parachutes and mountain climbing gear. When hijacker asked for food, police boarded dressed as food handlers and captured hijacker.
(2)	Mar. 20, 1974	Al-Azhar, Kasete Kiflu, Niget	(F) East Africa Airways (Kenya)	Fokker F-27	Narobi/Malindi, Kenya	Landed Entebbe, Uganda. Hijackers ordered plane to Libya but agreed to stop at Entebbe to refuel. After negotiating, hijackers surrenderd to Uganda authorities. Hijackers were a married couple.
(4)	Mar. 30, 1974	Smith, Ernest E.	National	B-727	None	With 2 hostages and carrying a shotgun, hijacker boarded a parked out-of-service aircraft at Sarasota, Fla., and demanded to be flown out of the area. Hijacker fled after being disarmed by the only other person aboard, a maintenance man. Hijacker captured about 4 hr later. Sentenced on state charges to 15 yr and 25 yr (concurrent) September 16, 1974.
(2)	Apr. 9, 1974	Tobon, Elkin	(F) Cessnica (GA) (Colombian)	Beechcraft C-45	Medellin/Turbo, Columbia	Prior to takeoff at Medellin, 17-year-old hijacker pointed a knife at the pilot and demanded to be flown to Lima, Peru. A cargo handler grabbed the hijacker from behind and overpowered him.
(2)(3)	May 10, 1974	Tabares, Carlos, A.; Avila Campos, Jorge E.; Rodriguez Hernandez, Pedro J.	(F) Avianca (Colombian)	B-727	Pereira/Bogota, Colombia	Landed Bogota, released 26 passengers then flew to Cali, Peria, and back to Bogota. Demanded 8,000,000 pesos (approximately $317,300) and flight to Cuba. Officials refused to pay ransom. Police stormed plane and killed 1 hijacker and captured the other 2. 1 hijacker wounded in leg.
(2)(3)	May 23, 1974	Kamaiko, David F	Wall Street Helicopter, Inc. (GA).	Bell 206A Jet Ranger helicopter.	New York (local)	Took aircraft refueler hostage, boarded and required pilot to fly to top of the Pan Am building, New York, N.Y. After landing, pilot ran from aircraft and was shot by hijacker. Hostage struggled with hijacker. Police rushed to the helicopter and overpowered hijacker. Prosecution decision to be made after 1-yr psychiatric treatment Dec. 30, 1974. Evaluation completed: AUSA (SD-NY) requesting matter be nolle prossed.
(1)	June 26, 1974	Rowell, Edwin C. (P)	Air Charter, Inc. (GA)	Piper Comanche	Alexandria/Angola, La	Produced gun while in flight, forced pilot to land at Hammond, La. Hijacker handcuffed deputy sheriff escort and pilot to tree and fled, captured about 1 hr later approximately 1½ mi from airport. Sentenced by State for aggravated kidnapping to 10 yr imprisonment (Apr. 14, 1975) to be served in addition to sentence of 34 yr for previous crimes.
(1)	June 27, 1974	Kirkaldie, Douglas A.; Beck, William Henry C.; Naylor, Stanley D.	Big Horn Airways (GA)	Cessna 172	Ashland, Mont./Sheridan, Wyo.	Hijackers chartered aircraft. While in air, pilot agreed to change course to Yellowtail Dam, Mont. When he started to report change of flight plan, microphone was taken from him and guns were pointed at him. After landing at Yellowtail Dam, pilot was bound and left in plane. 2 captured 1 hr later. Kirkaldie captured July 6, 1974, in Janesville, Wis., Naylor and Beck sentenced to 20 yr for bank robbery July 16, 1974, and July 23, 1974, respectively. Reduced to 8 yr under Youth Corrections Act Oct. 21, 1974, and Oct. 22, 1974, respectively. Kirkaldie sentenced to 20 yr for bank robbery and interference with crewmember Nov. 11, 1974.
(2)(5)	July 15, 1974	Iwakoshi, Akira	(F) Japan Air Lines (Japanese)	DC-8	Osaka/Toyko, Japan	Landed Tokyo. Hijacker demanded release of a leader of the Japanese Red Army and a plane to fly the 2 to North Korea. Authorities refused. Flew to Nagoya, Japan. Passengers escaped while hijacker was in cockpit. Police boarded and captured the hijacker.
(5)(6)	July 24, 1974	Martinez Rusinke, Luis Eduardo	(F) Avianca (Colombian)	B-727	Periera/Medellin, Colombia	Landed Cali. Demanded $2,000,000 and freedom for several political prisoners. Passengers including hijacker's wife and baby escaped through an emergency exit. Police boarded, shot and fatally wounded hijacker. Hijacker participated in May 20, 1969 Avianca hijacking.
(2) (5)	Sept. 4, 1974	Collins, Marshal	Eastern	DC-9	New York/Boston	Initiated hijacking after landing in Boston. All except pilot released, kept an arm around pilot's neck, cut pilot slightly with razor blade. Pressed a nail into pilot's arm and hit pilot with emergency ax. Demanded $10,000 and flight out of area. After more than 3 hr, hijacker was persuaded to surrender.
(3)	Sept. 15, 1974	Tan, Le Duc	(F) Air Vietnam (South Vietnam).	B-727	DaNang/ Saigon, South Vietnam.	Hijacker demanded to be flown to Hanoi, North Vietnam. Pilot started to land at Phan Rang, South Vietnam. Hijacker pulled pins on 2 hand grenades. Explosion caused plane to crash killing all 70 aboard.
(1)	Sept. 28, 1974	4 men	(F) Dundalk Aero Club (GA) (Ireland).	Rallye Club	None	Hijackers entered the Aero Club office. 2 held persons in club at gunpoint while other 2 forced pilot to fly them to Jonesborough, Northern Ireland, where homemade bomb was thrown from the aircraft. Hijackers had 4 bombs and presumably intended to drop them on British targets in Northern Ireland. 1st bomb thrown struck a wing. This caused no damage but hijackers gave up further attempts to bomb. Aircraft landed Revensdale, Ireland. Hijackers fled.
(2)	Oct. 7, 1974	1 man	(F) Far Eastern Air Transport Corp. (Republic of China).	Viscount 810	Tainan/Taipei, Taiwan	Hijacker armed with knife and 4 gasoline filled bottles demanded to be flown to mainland China. Captured by security guard and cabin attendant.
(1)	Nov. 6, 1974	Al Auran, Muhammad S.; Al Zaiban, Yassin; Hiyari, Salem.	(F) Royal Jordanian Airlines Corp. (Alia) (Jordanian).	Caravelle 50	Amman/Aqaba, Jordan	Landed Benghazi, Libya, when aircraft attempted to land at Beirut, Lebanon, officials closed airport. Passengers and crew released unharmed. Hijacker requested political asylum.

See footnotes at end of table.

CIVIL AVIATION SECURITY SERVICE—Continued

FEDERAL AVIATION ADMINISTRATION—DOMESTIC AND FOREIGN AIRCRAFT HIJACKINGS (AS OF JAN. 1, 1977)

Results	Date	Name	Airline	Type aircraft	Flight plan	Disposition
(1) (3)	Nov. 22, 1974	4 men	(F) British Airways (United Kingdom).	VC-10	Dubai, United Arab Emerates/ Calcutta, India.	At Dubai, forced way aboard firing automatic weapons. Wounded 2. Refueled at Tripoli, Libya Finally landed at Tunis, Tunisia. Demanded release of 13 terrorist prisoners in Egypt and 2 hijacker prisoners in Netherlands. Shot and killed 1 male passenger. 5 prisoners from Egypt and 2 from Netherlands turned over to hijackers. All surrendered to Tunisian officials upon assurance of protection Nov. 25, 1974.
(2)	Nov. 23, 1974	1 man	(F) All Nippon Airways (Japanese).	B-727	Tokyo/Sapporo, Japan	Brandished a stick resembling dynamite. Overpowered by flight crewmember.
(2)	Nov. 29, 1974	Djemal, Naim (Canadian citizen)	(F) CP Air (Canadian)	B-737	Winnipeg/Edmonton, Canada	Landed Saskatoon, Saskatchewan, Canada. Held stewardess at knife point. Demanded to be flown to Cyprus. Agreed to landing at Saskatoon for fuel and surrendered to the pilot. Sentenced to 7 yr for attempted hijacking Feb. 5, 1975.
(2)	Dec. 1, 1974	Aslam, Mohammad	(F) Swissair (Swiss)	DC-8	Bombay, India/Karachi, Pakistan.	Pointed gun at crew. Demanded flight to Middle East. Landed at Karachi to refuel, Overpowered by crew. Sentenced to 3 yr and $200 fine for attempted hijacking, Mar. 10, 1975.
(3)	Dec. 14, 1974	1 man	Tampa Flying Service (GA)	Piper Seneca	Tampa/Naples, Fla	Chartered aircraft by phone before boarding. While in company operations facility, pointed handgun at pilot and demanded to be flown to Cuba.
(2)	Dec. 25, 1974	Homolov, Josef	(F) Air India (India)	B-747	Bombay, India/ Rome, Italy	Hijacker entered cockpit brandishing a small pocket knife. Claimed to have bombs aboard. Demanded a gun and passage to a place of his choice. Ordered pilot to go into a sharp dive over Rome. Overpowered by flight crew.
(2)	Jan. 3, 1975	Landers, Paul	National	B-727	None	Carrying a rifle hijacker climbed over a fence at Pensacola, Fla., airport, boarded an out of service aircraft and told the 3 men who were aboard cleaning the aircraft that he was going to hijack the plane. 2 of the men disarmed and overpowered the hijacker.
(2)	Jan. 7, 1975	Madrid, Saed	(F) British Airways (United Kingdom).	BAC-111	Manchester/London, England	Pointed pistol at stewardess, threatened to blow up plane with hand grenade. Landed London, passengers deplaned. Hijacker demanded £100,000 British, a parachute and flight to Paris, France. Money and parachute delivered. Aircraft took off pretended to go to Paris but landed at Stansted Airport, Essex, England. Hijacker captured while running from the plane with a hostage. Gun and handgrenade were not real.
(2)	Jan. 13, 1975	Wright, Laughlin	Eastern	B-727	Atlanta/Philadelphia	Pounded on cockpit door, demanded to be flown to San Juan, P.R., agreed to land at Dulles Airport, Washington, D.C., to refuel. On landing, hijacker locked himself in a restroom. Passengers deplaned then police boarded and apprehended hijacker. He was not armed. Committed to mental institution on Mar. 28, 1975.
(2)	Feb. 22, 1975	Siqueira, Joe., Jr	(F) VASP (Brazilian)	B-737	Goiania/Brazilia, Brazil	Shortly after take off from Goiania hijacker carried an infant to the cockpit. At the door put the infant down and grabbed a stewardess around the neck and put a gun to her head. Then took copilots seat and pointed the gun at the pilot. During 8 hr of negotiations hijacker demanded 10,000,000 cruzeiros ($1,300,000) guns, parachutes, and release of 2 prisoners. 4 police slipped aboard when hijacker allowed women and children to deplane. Hijacker shot and captured.
(2)	Feb. 23, 1975	Al Awadi, Ali Ben Ali	(F) Yemen Airlines (Yemeni)	DC-3	Hodeida/Sanaa, Yemen	Armed with a pistol demanded flight to Abu Dhabi. Landed Qizan, Saudi Arabia, to refuel. Hijacker captured as soon as plane landed; sentenced to death Mar. 2, 1975. Committed to life imprisonment Mar. 2, 1975.
(2)	Feb. 25, 1975	2 men	(F) Philippine Airlines (Philippines).	DC-3	Pagadian/Zamboanga, Philippines.	Armed with hand grenades took a rifle from an air marshal. Required return to Cebu City, Philippines, where 12 passengers were released and then flew to Manila. Demanded Philippine President grant 1 of the hijackers a pardon on previous jail sentence. President agreed. After 10 hr negotiations hijackers surrendered. Sentenced to die before firing squad.
(2)	Mar. 1, 1975	Naimi, Taha; Al-Qeitan, Faud; Hasan, Ahmad.	(F) Iraqi Airways (Iraqi)	B-737	Mosul/Baghdad, Iraq	Landed Tehran, Iran. Demanded $5,000,000 and release of 85 Kurdish prisoners jailed in Iraq. Threatened to blow up the plane and all aboard. During the flight a security officer shot and seriously wounded Hasan and shot at the others. The hijackers returned the fire. Two passengers killed, 7 passengers injured. After landing the passengers managed to deplane and the hijackers surrendered. Naimi and Al-Qeitan executed by firing squad on Apr. 7, 1975. Hasan died from wounds received during hijacking.
(2)	Mar. 2, 1975	Grosser, Alexander	Air New England	Twin Otter	Hyannis/Nantucket, Mass	Boarded aircraft which was preparing for aircraft positioning trip. Only pilot aboard. Claimed to have a knife and demanded flight to New Haven, Conn. Pilot refused and radioed for help. Trucks blocked aircraft. Pilot deplaned. Police boarded and seized hijacker. Convicted Apr. 9, 1976 for carrying weapon aboard aircraft.
(1)	Mar. 6, 1975	Gonzales, Ralph; Rodriguez, Edward E.	Sawyer Aviation (G/A)	Cessna 310	Phoenix/Tucson	Hijackers chartered aircraft for flight to Tucson. Pointed gun at pilot and forced him to fly to a private airstrip south of Nogales, Mexico. The hijackers turned the plane and pilot over to a group that met the plane. Pilot escaped Mar. 7, 1975. Rodriguez captured in Las Vegas, Nev., Mar. 21, 1975. Gonzales surrendered to Federal agents Apr. 11, 1975. Gonzales and Rodriguez sentenced to 6 yr in prison for kidnaping.

See footnotes at end of table.

Results	Date	Name	Airline	Type aircraft	Flight plan	Disposition
(2)	Apr. 9, 1975	Oshima, Kazuo	(F) Japan Airlines (Japanese)	B-747	Sapporo/Tokyo, Japan	Pointed gun at steward and demanded 35,000,000 yen (about $100,000). After landing at Tokyo, police boarded and overpowered hijacker while he was talking to the pilot. The hijacker fired his weapon once in the struggle. No one was injured.
(4)	Apr. 25, 1975	Covey, Francis P.	United	B-727	Raleigh/Newark	Claimed to have a gun and bomb. After landing at Atlanta he allowed all but 1 crewmember to deplane. All passengers and crew got off. Law enforcement officers boarded and took hijacker into custody. He had no weapon or explosive. Sentenced to 5 yr for conveying false information regarding destruction of aircraft.
(2)	May 15, 1975	Crawford, Deborah Lynn	United	B-737	Eugene/San Francisco	Approached stewardess saying that she did not want to go to San Francisco, that she had a knife and would use it if necessary. As plane came in for landing girl was placed under control and held by crewmember until police arrived.
(1)	June 6, 1975	Colosky, Morris	Hi-Lift Helicopters Inc. (G/A)	Bell 47-J2 helicopter	Plymouth/Lansing	After chartering flight hijacker allegedly put knife to throat of pilot and demanded to be flown to Southern Michigan Prison. Aircraft landed and was joined by 1 waiting inmate. Flew to point 6 mi north of prison, reportedly maced pilot in the face, then escaped in waiting vehicles. Convict apprehended June 7, 1975. Colosky captured on June 17, 1975. Colosky sentenced to 20 yr for aircraft piracy on Nov. 20, 1975.
(1)	June 28, 1975	Gakof, Nodsio I.	Bulgarian (F) (Bulgaria)	Antonov 24	Varna/Sofia	Armed with a revolver forced plane to fly to Thessaloniki, Greece. Hijacker asked for political asylum.
(2)	July 28, 1975	Oshima, H.	F (All Nippon) (Japanese)	Lockheed Tristar	Tokyo/Hokkaido	Youth broke into cockpit feigning knife. He allowed the plane to return to Tokyo where all passengers and crew disembarked. Police then rushed into aircraft and arrested the man.
(2)	Aug. 16, 1975	McNair, Roper	General Aviation	Piper Cherokee	None	Approached plane as it was preparing for departure. Armed with gun he demanded to be flown to Jamaica, Puerto Rico, and Madrid. Pilot landed near Fayetteville, N.C., and managed to escape leaving hijacker with 1 remaining hostage. Hijacker commandeered car and proceeded to airport where he was finally persuaded to surrender.
(4)	Sept. 9, 1975	Laurent, P.; Laurent, C.; Charles, E.	Haiti Air Inter (F) (Haiti)	Dehavill and Twin Otter.	Port au Prince/Cap Haitien	Hijackers entered cockpit, held knife to throat of pilot and ordered flight to Cuba. Plane landed at Gonaives to refuel where 2 passengers overpowered and subdued hijackers.
(2)	Sept. 15, 1975	Saloman, F.	Continental	B-727	None	Hijacker, along with 2 hostages, entered parked aircraft where he took 2 more hostages. 2 of the 4 subsequently escaped, 1 was shot by the hijacker and seriously wounded. Hijacker stepped out of aircraft and pointed pistol at police officer. He was then fatally shot by police marksman.
(2)	Sept. 27, 1975	Marketos, S.	Olympic (F) (Greece)	SC-7	Athens/Mikonos	Young man entered cockpit holding spray bottle claiming it contained nitric acid. Crew overpowered the man and turned him over to authorities at Mikonos.
(1)	Oct. 5, 1975	Several men	Aerolineas Argentinas (F) (Argentina)	B-737	Buenos Aires/Corrientes	Aircraft was hijacked by a band of leftist guerrillas. Landed in small provincial capital of Formosa where all passengers disembarked. Plane took off but ran short of fuel and landed at Rafaela where guerrillas ran from aircraft and escaped.
(2)	Oct. 7, 1975	Morales, Canislo	Philippine Air Lines (Philippines).	BAC-111	Davao/Manila	Hijacker armed with pistol and hand grenade demanded to be flown to Benghazi, Libya. Plane landed in Manila where hijacker allowed some passengers to disembark. Hijacker surrendered to authorities 9 hr after hijacking began.
(1)	do	Ralph, Ronald E.; Burke, David P.; Murphy, Jeffrey.	Atlantic Aero (GA)	Cessna 177	Greensboro, N.C./Atlanta, Ga.	Pointed gun at pilot and demanded to be flown to Florida. All 3 were subsequently apprehended. Ralph and Burke were sentenced to 20 yr, January 30, 1976.
(2)	Nov. 8, 1975	Johnson, Jack R.	Tri State Aero (GA)	Cessna 150	Evansville, Ind./none	Young man chartered flight for "joy ride" around Evansville. Pointed gun at pilot and told him to dive the aircraft into the ground. As plane was in dive pilot managed to push the hijacker out of the aircraft to his death.
(1)	Nov. 24, 1975	Schmidt, Gary; Warren, Aka: Bruton, Gary C.	California Air Charter G/A	Piper Navajo	Palomar, Calif./Dallas, Tex.	Man chartered aircraft reportedly to transport musical instruments to Dallas. Once in the air, hijacker pulled gun and demanded to go to Mexico. Plane landed and became mired in mud. Several individuals approached aircraft and began to unload contents into waiting vehicles. Later they set the aircraft on fire. Pilot was eventually released unharmed.
(2)	Dec. 22, 1975	Rodelo, R.	SAM Airlines (Colombian) G/A	Beechcraft D-80	Barran Cabermeja/Medellin	Man entered cockpit after takeoff. Permitted aircraft to land at Medellin. Upon landing he demanded money and safe conduct to an unspecified location. Local authorities boarded the aircraft, shot and wounded the hijacker and took him into custody.
(2)	Jan. 5, 1976	Dono, Prudencio; Dono, Renato	Japan Airlines (Japan)	DC-8	Bangkok/Tokyo	2 armed men seized aircraft as it was about to depart from Manila. They threatened a stewardess but eventually agreed to release all the passengers in exchange for a flight to Tokyo. Japan refused clearance for entry and hijackers subsequently surrendered to authorities.
(2)	Feb. 29, 1976	Cardona, Jose	Aces Airlines (Colombian) (GA)	Saunders ST-27	Medellin/Apartado	Armed individual hijacked aircraft and demanded $300,000. The aircraft landed at Chigordo where all the passengers and a stewardess were forced to disembark. Plane then returned to Medellin where the hijacker entered into a gun battle with police. The man was shot during the battle and died later in a hospital.

See footnotes at end of table.

CIVIL AVIATION SECURITY SERVICE—Continued

FEDERAL AVIATION ADMINISTRATION—DOMESTIC AND FOREIGN AIRCRAFT HIJACKINGS (AS OF JAN. 1, 1977)

Results	Date	Name	Airline	Type aircraft	Flight plan	Disposition
(1)	Apr. 7, 1976	3 men	Philippine Airlines (Philippines).	BAC-111, DC-8	Cagayan de Oro/Mactan	3 men hijacked aircraft and demanded $300,000 and release of numerous political prisoners. At Manila, hijackers exchanged all the passengers for another set of hostages and $300,000 in cash. During the next 6 days the hijackers flew to Kota Kinabalu, Kuala Lumpur, Bangkok, Karachi, and Benghazi. At Benghazi the hijackers released the remaining hostages and asked for political asylum.
(2)	Apr. 18, 1976	Lentz, Roger	Heinzmann Engineering Co. (GA).	Piper Navajo	Grand Island, Nebr./none	Man armed with shotgun and pistol demanded to be taken to Mexico. Plane landed at Denver, departed Denver twice but returned both times. Hijacker eventually deplaned small aircraft and boarded larger aircraft along with 2 hostages. Fatally shot by authorities as he walked down the aisle of the aircraft.
(1)	Apr. 24, 1976	Hernandez, Alfonso	Avianca (Colombia)	B-727	Pereira/Bogota	A man armed with a pistol hijacked the aircraft as a protest against the "neglect of peasants." The man surrendered to authorities at Bogota without incident.
(2)	Apr. 30, 1976	Egder, Zeki	Turkish Airlines (Turkey)	DC-10	Paris/Istanbul	Man armed with knife threatened a stewardess and attempted to force the plane to land at Marseille or Lyon. The plane was unable to land at either site and instead returned to Paris where the hijacker surrendered to authorities without incident.
(2)	May 13, 1976	Solesby, Franklin M	Royal American Flyers, Inc. (G/A).	Cessna 210	Denver/Houston	Man chartered small aircraft from Denver to Houston. After plane was in the air he produced a pistol and attempted to fire but pistol failed to discharge. A struggle ensued between the hijacker and 1 of the 2 pilots aboard aircraft. The hijacker was disarmed and subdued. Turned over to authorities at Lamar Colo.
(2)	May 21, 1976	6 men	Philippine Airlines	BAC-111	Davao/Manila	6 moslem rebels hijacked aircraft and forced it to land at Zamboanga. Hijackers demanded $375,000 and an aircraft to fly to Libya. After hours of negotiations, a gun battle broke out between the hijackers and security forces. Grenades were set off aboard the aircraft. 10 passengers killed and 22 injured. 3 of the terrorists were killed and another 3 were injured. 3 surviving hijackers sentenced to death November 4, 1976.
(1)	June 27, 1976	4 people	Air France	Airbus A-300	Tel Aviv/Athens/Paris	Aircraft hijacked shortly after departure from Athens. Landed Benghazi, Libya, to take on fuel, then proceeded to Entebbe Airport, Uganda. Hiajckers and over 250 hostages left hijacked aircraft and entered airport building at Entebbe. Hijackers demanded the release of 53 pro-Palestinian prisoners in numerous countries in exchange for the hostages. During the course of the negotiations, approximately 150 hostages were released, leaving as hostage those with Israeli passports and the Air France crewmembers. On the evening of July 3, Israeli commandos launched a rescue operation at the Entebbe Airport. 3 hostages were killed; all others were rescued. All hijackers, some Ugandan troops and 1 Israeli commando, killed in the operation.
(1)	July 6, 1976	Hasdlumagid, Mustafa	Libyan Airlines	B-727	Tripoli/Benghazi	A man armed with 2 replica pistols and 2 knives hijacked the aircraft and ordered it to Tunis. The aircraft was denied landing and finally flew to Palma de Mallorca where the hijacker surrendered.
(2)	Aug. 23, 1976	3 men—Ali Ahmad Osman; Muhammad Ahmad Najib; Ahmad Muhammad Sulayman.	Egyptair	B-737	Cairo/Luxor	Hijacking terminated in Luxor where hijackers were overpowered by security forces. Supreme Egyptian military sentenced hijackers to fines and prison for life on September 18, 1976.
(2)	Aug. 28, 1976	1 Vietnamese male	Air France	Caravelle	Saigon/Bangkok	Aircraft commandeered as it was about to depart Saigon. Hijacker released passengers and crew. Authorities rushed aircraft. Hijacker then set off 2 grenades killing himself and damaging the aircraft.
(2)	Sept. 4, 1976	3 Arabic-speaking men	KLM (Netherlands)	DC-9	Nice/Amsterdam	Aircraft hijacked by 3 persons while en route from Spain to Amsterdam. Plane rerouted to Tunisia, Cyprus, and Israel where it circled offshore. Plane returned to Cyprus and hijackers surrendered and turned over to Libyan Embassy. No injuries.
(2)	Sept. 10, 1976	6 men	Indian Airlines	Boeing 737	New Delhi/Bombay	Hijacking occurred shortly after plane took off from New Delhi's International Airport. Destination unspecified. Forced to land Lahore, Pakistan. Hostages released (77 passengers and crew). 6 men arrested. Pakistan Government released 6 hijackers on grounds insufficient evidence available for prosecution.
(1)	do	Busic, Zvonko; Busic, Julienne; Matovic, Petar; Pesut, Frane; Vlasic, Mark.	TWA-355	B-727	La Guardia, New York/Chicago.	Flight en route LGA-ORD. 4 men, 1 woman boarded at LGA. False bombs on 1 hijacker's person. No weapons, but claimed same. Demanded flight to major U.S. and foreign cities to drop Croatian nationalists leaflets. Bomb left in New York killing 1 policeman. Flight forced to Gander, New Foundland, Iceland, and France. Hijacking terminated in France. Hijackers returned to New York to face air piracy and murder charges.
(1)	Oct. 28, 1976	Bevcar, Rudolf (Nov. 19, 1950 DOB).	Polish IL-18 (flight 313)	IL-18	Prague/Bratislava	Hijacked by 1 male armed with submachine gun and pistol. Entered aircraft shortly before takeoff and commandeered and forced crew to fly to Munich. Surrendered to Bavarian authorities. No injuries. Hijacker in custody Munich City police.
(1)	Nov. 4, 1976	Karoszinski, Jaroslaw		TU-134	Copenhagen/Warsaw	Polish state airline hijacked to Vienna by 1 male using dummy "bomb" made with bread colored with shoe polish. Landed at Vienna and hijacker surrendered. No injuries. 29 passengers, 7 crew.

See footnotes at end of table.

Results	Date	Name	Airline	Type aircraft	Flight plan	Disposition
(6)	Dec. 21, 1976	Hinnant, Jr., Palmtree (July 13, 1939 DOB).	UA	DC-8		United Air Lines employee boarded empty DC-8 while on ground at San Francisco Airport. Hijacker demanded be provided crew to fly to somewhere on east coast. Held 2 hostages. Hijacker surrendered. No fatalities. Assistant U.S. attorney, San Francisco, deferred prosecution to local authorities.

[1] Successful to other than Cuba.
[2] Unsuccessful to other than Cuba.
[3] Successful to Cuba.
[4] Unsuccessful to Cuba.
[5] Extortion.
[6] Destination unknown—unsuccessful.

Note: 1. Names of individuals listed as hijackers of non-U.S. aircraft are not verified and may be aliases. 2. Abbreviations: (F) foreign; (J) juvenile; (S) servicemen; (P) prisoner under escort; (G/A) general aviation.

Mr. RIBICOFF. Mr. President, I ask unanimous consent that the Omnibus Anti-Terrorism Act of 1977 be referred to the Committee on Governmental Affairs, and that when the bill is reported by the Committee on Governmental Affairs, it be referred to the Committee on Foreign Relations for a period not to exceed 30 days.

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

ADDITIONAL COSPONSORS

S 1243

At the request of Mr. CHURCH, the Senator from Colorado (Mr. HASKELL), the Senator from New Hampshire (Mr. DURKIN), the Senator from New York (Mr. JAVITS), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Illinois (Mr. PERCY), the Senator from Kentucky (Mr. FORD), the Senator from Ohio (Mr. METZENBAUM), and the Senator from Delaware (Mr. BIDEN), were added as cosponsors of S. 1243, to amend title II of the Social Security Act.

S. 1556

At the request of Mr. HANSEN, the Senator from New Hampshire (Mr. MCINTYRE) was added as a cosponsor of S. 1556, to amend title 38, United States Code.

S. 1838

At the request of Mr. NELSON, the Senator from Tennessee (Mr. SASSER), the Senator from Minnesota (Mr. HUMPHREY and Mr. ANDERSON), the Senators from Missouri (Mr. EAGLETON and Mr. DANFORTH), the Senator from Alabama (Mr. SPARKMAN), the Senator from Wisconsin (Mr. PROXMIRE), the Senator from New York (Mr. JAVITS), the Senator from Maine (Mr. HATHAWAY), the Senator from Colorado (Mr. HASKELL), the Senator from Connecticut (Mr. WEICKER), the Senator from Pennsylvania (Mr. HEINZ), and the Senators from North Dakota (Mr. YOUNG and Mr. BURDICK) were added as cosponsors of S. 1838, calling for fair representation of small businesses on governmental advisory committee.

S. 2020

At the request of Mr. CRANSTON, the Senator from Montana (Mr. MELCHER) and the Senator from Texas (Mr. TOWER) were added as cosponsors of S. 2020, to amend the Longshoremens' and Harbor Workers' Compensation Act.

S. 2103

At the request of Mr. PACKWOOD, the Senator from Wyoming (Mr. WALLOP) was added as a cosponsor of S. 2103, to exempt disaster payments from any payment limitations for crop year 1977.

S. 2159

At the request of Mr. KENNEDY, the Senator from Kentucky (Mr. HUDDLESTON) was added as a cosponsor of S. 2159, to amend the Public Health Service Act.

S. 2197

At the request of Mr. STONE, the Senator from New Hampshire (Mr. MCINTYRE) and the Senator from Maryland (Mr. SARBANES) were added as cosponsors of S. 2197, to amend title 38 of the United States Code to provide mortgage protection life insurance to certain veterans.

S. 2213

At the request of Mr. WILLIAMS, the Senator from Nebraska (Mr. ZORINSKY) was added as a cosponsor of S. 2213, to amend the Internal Revenue Code of 1954.

S. 2227 AND S. 2228

At the request of Mr. HARRY F. BYRD, JR., the Senator from Wyoming (Mr. HANSEN) was added as a cosponsor of S. 2227 and S. 2228, bills to amend the Internal Revenue Code of 1954.

SENATE RESOLUTION 114

At the request of Mr. ANDERSON, the Senator from Pennsylvania (Mr. SCHWEIKER) was added as a cosponsor of Senate Resolution 114, relating to a study of the telecommunications policies of the Federal Government.

SENATE JOINT RESOLUTION 69

At the request of Mr. NELSON, the Senators from Minnesota (Mr. HUMPHREY and Mr. ANDERSON), the Senators from Missouri (Mr. EAGLETON and Mr. DANFORTH), the Senator from Alabama (Mr. SPARKMAN), the Senator from Wisconsin (Mr. PROXMIRE), the Senator from New York (Mr. JAVITS), the Senator from Maine (Mr. HATHAWAY), the Senator from Colorado (Mr. HASKELL), the Senator from Connecticut (Mr. WEICKER), the Senator from Pennsylvania (Mr. HEINZ), and the Senators from North Dakota (Mr. YOUNG and Mr. BURDICK) were added as cosponsors of Senate Joint Resolution 69, a joint resolution requiring each executive department and agency to designate a senior official as a point of contact for the small business community.

SENATE JOINT RESOLUTION 93

Mr. DOMENICI. Mr. President, on October 19 when I introduced Senate Joint Resolution 93, a resolution relating to the excess land provisions and residency requirements of the Federal reclamation laws, my distinguished colleague from Arizona (Mr. DECONCINI) was inadvertently omitted as an original cosponsor. I ask unanimous consent that the record be corrected to show Senator DECONCINI as an original cosponsor of Senate Joint Resolution 93.

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

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Senator from Kansas (Mr. DOLE), the Senator from Idaho (Mr. CHURCH), and the Senator from Arizona (Mr. GOLDWATER) be added as cosponsors of Senate Joint Resolution 93, relating to the excess land provisions and residency requirements of the Federal reclamation laws, as amended and supplemented.

The PRESIDING OFFICER. It is so ordered.

SENATE RESOLUTION 299—SUBMISSION OF A RESOLUTION COMMENDING THE FUTURE FARMERS OF AMERICA

(Referred to the Committee on Agriculture, Nutrition, and Forestry.)

Mr. TOWER submitted the following resolution:

S. RES. 299

Whereas, the Future Farmers of America, a vocational student organization, is an integral part of the instructional program in vocational agriculture/agribusiness;

Whereas, the Smith-Hughes Act of 1917 established Federal support for the teaching of vocational agriculture in high schools across the Nation;

Whereas, students of vocational agriculture prepare themselves for roles of leadership and careers in the industry of agriculture which constitute this Nation's efforts to provide food and fiber for the people of the United States and much of the world;

Whereas, the Future Farmers of America provides an outlet for the energy, initiative, and expertise of nearly 510,000 students in 8148 high schools in every State of the Union, Puerto Rico, and the Virgin Islands; and

Whereas, the Future Farmers of America will have its Golden Anniversary Convention November 8–11, 1977, in Kansas City, Missouri: Now, therefore, be it

Resolved, That the United States Senate commends the Future Farmers of America for the contributions it has made in sustaining our Nation's most basic industry of agriculture through developing leadership, encouraging cooperation, promoting good citizenship, teaching sound agricultural techniques and principles, and preparing our Nation's young men and women for careers in the industry of agriculture.

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to the Future Farmers of America.

Mr. TOWER. Mr. President, in 1972, I was honored to be the first member of the U.S. Senate to become a life member of the National Future Farmers of America Alumni Association. The orga-

nization is one of the supportive organizations of the Future Farmers of America, or the FFA as it is commonly known.

The Smith-Hughes Act of 1917 laid the groundwork and foundation for the teaching of vocational agriculture in high schools across this Nation, a vital part of our educational programs in the United States. The FFA, a vocational student organization, is an integral part of the instructional program in vocational agriculture/agribusiness.

Since its humble beginnings 50 years ago, the FFA has endeavored to aid in the preparation of young men and women for careers in the industry of agriculture. The organization, now boasting nearly 510,000 students in nearly 8,200 schools throughout the United States, has successfully prepared these young people for roles of leadership in the agricultural industry. It has given us producers and suppliers of agricultural products. It has given us community and business leaders, Senators, Representatives, Governors, commissioners of agriculture, and the President of the United States.

Having had several opportunities to address the future farmers, I have seen the dedication and skills instilled in our young people as they attempt to provide even greater vitality to this Nation's most vital and basic industry, the industry of agriculture.

In 2 weeks, the Future Farmers of America will convene for its 50th anniversary convention in Kansas City, Mo. Because of the contributions it has made to our agricultural industry and the people of this Nation by providing food, fiber, services, and leadership, I think it is only fitting that we commend them in their golden year.

I sincerely hope that you will join me by lending your support to this resolution. In addition, Mr. President, I hope that the Senate will be willing to act swiftly in order that the members of the FFA will be knowledgeable of our appreciation and commendation when they convene in Kansas City.

SENATE RESOLUTION 300—SUBMISSION OF A RESOLUTION RELATING TO AIRPLANE HIJACKING

(Referred to the Committee on Foreign Relations.)

Mr. DOLE (for himself and Mr. RIBICOFF) submitted the following resolution:

S. RES. 300

Whereas international airline hijackings have become a calculated tool of terrorist groups for achieving certain demands;

Whereas any international airline hijacking may present a serious threat to the lives, health, and comfort of the passengers and crew, of whatever nationality;

Whereas certain governments have, on occasion, provided sanctuary or asylum to airline hijackers; and

Whereas the granting of sanctuary for hijackers can be viewed as an irresponsible sovereign act insofar as such act may encourage further hijacking and terrorism: Now, therefore, be it

Resolved, That it is the sense of the Senate that the President should instruct the United States Ambassador to the United Nations—

(1) to submit to the General Assembly for consideration during the current session a resolution expressing an agreement by all United Nations members to deny sanctuary to international airline hijackers;

(2) to direct the active efforts of the United States delegation to the United Nations towards securing international cooperation in reducing, and eventually eliminating, the incidence of air line hijackings and other acts of terrorism and towards enhancing airport security systems worldwide; and

(3) to call upon all United Nations members to adhere to the Convention for the Suppression of Unlawful Seizure of Aircraft, done at The Hague on December 16, 1970.

SEC. 2. The Secretary of the Senate is directed to transmit a copy of this resolution to the President.

Mr. DOLE. Mr. President, I am today submitting a Senate resolution which has, as its objective, the deterrence of international airline hijacking. To accomplish this, my resolution calls upon the President—working with his Ambassador to the United Nations—to encourage all members of the United Nations to cooperate in specific efforts to discourage air piracy.

My resolution expresses the sense of the Senate that the President should instruct the U.S. Ambassador to the United Nations to first, submit a general assembly resolution denying sanctuary in any country to persons engaging in international hijackings; second, direct our delegation's work within the U.N. toward securing full international cooperation in related areas, including improvement in airport security systems, worldwide; and third, call upon other member nations to adhere to the 1970 Hague Convention for suppressing international air piracy.

THE PROBLEM

Mr. President, just last week a West German airliner was commandeered by 4 hijackers over the Mediterranean Ocean, and 86 hostages—including 2 Americans—were terrorized for hours until they were freed in Somalia by a West German commando raid. The scenario is familiar to us all; it has happened far too often. During the first 6 months of this year, 14 hijacking attempts were made outside the United States. Since June, another nine have occurred. That the incidence of airline hijacking within the United States is much lower—only four attempts during 1976—is largely due to superior security precautions taken at all major U.S. airports. Unfortunately, the Government of Cuba recently refused to renew an anti-hijacking accord with the United States that had been in effect since 1973, and I truly hope that this action does not encourage hijacking in this country.

But security at airports and aboard airlines varies widely from nation to nation. Hijacking precautions in Spain, Greece, and certain Arab States, I understand, are far more lax than in Western Europe or the United States. Certainly, careless security measures in some countries undermine the responsible efforts of others. By the same token, a willingness on the part of some nations to harbor hijackers defeats the common efforts to curb hijacking activity, most

Late last week, the International Federation of Airline Pilots Association threatened an international strike, which was averted only by an agreement to raise the hijacking issue in the United Nations General Assembly this week. The pilots association is looking for assurances from U.N. members of greater protections against air piracy and guarantees against providing sanctuary for hijackers. I understand that the General Assembly debate will begin today, and it is for that reason that I believe the United States should take positive initiatives at this time to achieve greater cooperation in preventing international hijackings.

THE SOLUTION

A solution to the rampant hijacking activity, it seems to me, lies both in strengthening internal security and in taking collective international action to punish terrorism. This will require, on the part of all nations, a strengthening and standardization of airport security measures, so that there are no "weak links" in the chain of internal security. In addition—and most importantly—it will require universal refusal to grant asylum to those who engage in hijacking activity. The full exercising of extradition and prosecution measures, through international cooperation, will be one of the best disincentives to this terrorist action.

This will require, in particular, the full cooperation of the nations of Africa and Asia. If the potential terrorist knows in advance that he will have no place to run after committing his crime, the chances of his carrying it through will be far lessened.

There have been earlier international effort to suppress the despicable action, notably the 1970 Hague Convention for the Suppression of Unlawful Seizure of Aircraft, and the 1971 Montreat Convention for the Suppression of Unlawful Acts Against the Safety of Civil Aircraft. These Conventions provided a distinct service in classifying air piracy as an international crime and in calling for the extradition and prosecution of hijackers. But the effects of these Conventions have been limited. Approximately one-third of the members of the United Nations do not adhere to the pacts, and some nations apparently see the conventions as an infringement on national sovereignty. Further efforts in this direction, however, are both necessary and timely.

DOLE RESOLUTION

Although the need for universal cooperation in discouraging airline hijackings has been addressed before, previous United Nations efforts have fallen short. A renewed effort, led by the United States, would be most appropriate at this time.

COMPLEMENTS RIBICOFF BILL

The resolution I am proposing will supplement single-handed efforts by the United States to discourage international hijackings. I commend the distinguished Senator from Connecticut, Mr. RIBICOFF, for his proposal to suspend

U.S. aid and airline service to nations which refuse to cooperate in the extradition and prosecution of airline hijackers. The Senator from Kansas believes his resolution will properly coordinate with, and supplement the efforts by the Senator from Connecticut. The United Nations is an excellent forum for our efforts to obtain full international cooperation in this regard, and the General Assembly debate on the issue this week makes this effort all the more timely.

It must be emphasized that an agreement not to provide sanctuary to airline hijackers does not constitute—in the proper sense—a limit on national sovereignty, but rather a joint cooperative effort for the universal good. International airline hijacking has become a serious threat to the lives, to the health, and to the comfort of passengers and crews of all nationalities. Sanctuary for terrorists can be construed as nothing other than irresponsible sovereign action, and should be condemned by all humanitarian governments.

More and more, we are witnessing a "tough" reaction by concerned governments in combating the hijacking phenomenon. We have witnessed commando raids in Uganda and Somalia which freed scores of innocent passengers from the terrorist nightmare. Those who risked their own lives to free the innocent are to be highly commended for their selflessness.

But we must concentrate as well on "preventatives," and this is what the Senator from Kansas seeks to promote by offering this resolution. I urge the Members of the Senate Foreign Relations Committee to act expeditiously in reporting the resolution so that the full Senate may express itself on the issue.

SENATE RESOLUTION 301—SUBMISSION OF A RESOLUTION RELATING TO AIRPLANE HIJACKING

(Referred to the Committee on Foreign Relations.)

Mr. DOLE submitted the following resolution:

S. RES. 301

Whereas the International Labor Organization (ILO) receives approximately $25,000,000 annually from the United States which is used to finance aggression against this Nation's interests;

Whereas the ILO's main purpose to bring together representatives of workers, employers, and governments throughout the world is no longer adhered to;

Whereas the ILO's selective concern with human rights has resulted in the rejection of the report of one of its committees citing violations of the rights of workers in the Soviet Union and Czechoslovakia;

Whereas the ILO has disregarded its own established due process; and

Whereas the ILO has allowed the increasing politicization of the organization: Now, therefore, be it

Resolved, That it is the sense of the Senate that United States' membership in, and payment of dues to, the International Labor Organization should terminate until such time as the Congress of the United States determines that the ILO has—

(1) returned to its basic principle and purpose of promoting unity among workers, employers, and governments throughout the world;

(2) returned to a consistent practice of adhering to its established due process and rules and regulations;

(3) returned to a universal concern for human rights; and

(4) returned its major concentration to issues within the jurisdiction of the organization as opposed to political concentration on issues outside the jurisdiction of the organization.

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to the President.

THE INTERNATIONAL LABOR ORGANIZATION

Mr. DOLE. Mr. President, recently we have heard much concerning whether the United States should withdraw or maintain its membership in the International Labor Organization. This issue has resulted from the apparent erosion of the organization's founding principles in recent years.

Approximately 2 years ago, the United States notified the International Labor Organization of its intention to withdraw from the organization. According to the constitutional provisions of the ILO this withdrawal could not take effect until 2 years after such notification.

In approximately 2 weeks, on November 5, 1977, the 2-year notification will have expired, and President Carter will have to decide whether the United States will remain a member of the International Labor Organization or withdraw its membership.

ILO: WHAT IT USED TO BE

Since its creation in 1917, the ILO has primarily been concerned with the rights, living, and working conditions of the world's workers. It has also been dedicated to promoting peace and social justice by fostering the social and economic well-being of the world's people. To this end, the ILO has worked hard for decent living standards, satisfactory conditions of work, and pay and adequate conditions of employment for workers throughout the world.

The ILO currently has 132 member nations whose representatives include, in a unique tripartite structure: workers, employers, and governments.

ILO: WHAT IT IS TODAY

Today, however, the ILO appears to be turning away from its basic aims and objectives. It is increasingly being used for purposes which serve the interest of neither the workers, for which the organization was established, nor nations which are committed to free trade unions and an open political process.

EROSION OF REPRESENTATION OF WORKERS, EMPLOYERS, AND GOVERNMENTS

The erosion of representation of workers, employers, and governments refers to the issues of membership for those countries which do not elect independent worker and employer representatives, and the right of nationals from these member nations to hold important positions where they are determining policy and expenditures in an organization devoted to promoting the rights to organize and strike.

In 1970, the ILO strength began to erode with the appointment of a Soviet national as an ILO assistant director general. The Senator from Kansas would like to point out that this appointment was made without consultation with the United States, a member nation whose dues consistently comprise approximately 25 percent of the organization's total budget.

SELECTIVE CONCERN FOR HUMAN RIGHTS

It seems that the ILO has investigated violations of ILO conventions, particularly in regard to freedom of association and forced labor, in some member states while not citing violations in others. A U.S. worker delegate to the ILO has criticized the ILO for having a double standard with its concern with forced labor in Liberia but not with slave camps of the U.S.S.R. and with denial of freedom of association in Chile but not in Czechoslovakia or Cuba. It seems to the Senator from Kansas that human rights are not universally applicable but rather subject to different interpretations for different political systems.

DISREGARD OF DUE PROCESS, RULES, AND REGULATIONS

The normal procedures for implementation of ILO conventions has been undermined, and more recently, the ILO conferences have adopted resolutions condeming member-states in total disregard to the established rules and regulations. It has been noted that ILO forums have been used by the U.S.S.R. and other communist nations for political attacks on the United States and others.

For example, recently the ILO rejected a rules change, sponsored by the United States, that would screen resolutions to prevent the ILO from dealing with political matters not germane to its mission. In addition, it refused to adopt one of its committee reports, which cited violations of the rights of workers in the Soviet Union and Czechoslovakia.

INCREASED POLITICIZATION

Another major objection to the ILO is the increasing politicization of the organization. This view maintains that the ILO has become increasingly involved in political issues that should remain in organizations such as the United Nations. While there are political issues which fall within its mandate, it seems that more time in ILO meetings has been devoted to political issues nongermane to the principal goals and objectives of the organization.

DOLE RESOLUTION

Mr. President, my resolution is a simple resolution—but an important resolution that addresses the concerns of working men and women, employers, and governments throughout the world.

My resolution calls for the termination of U.S. membership in the International Labor Organization until such time as the Congress of the United States determines that the ILO has:

First. Returned to its basic principle and purpose of promoting unity among workers, employers, and governments throughout the world;

Second. Returned to a consistent practice of the ILO's established due process and rules and regulations;

Third. Returned to a universal concern for human rights; and

Fourth. Returned its major concentra-

tion to issues mandated by the organization as opposed to political concenration on issues beyond the mandate of the organization.

WHY THE UNITED STATES SHOULD WITHDRAW NOW

Mr. President, we will no doubt, hear from those who will argue that the ILO has begun to reform itself enough for the United States to retain its membership. An additional belief is that, given 1 more year, the organization could return to the credible organization it was when it enjoyed strong support from the United States.

The question the Senator from Kansas would raise concerning this 1-year extension is: Why should we believe that the ILO can reform in 1 year when it could not do it in 2?

The Senator from Kansas would point out that when the United States gave its 2-year warning, the ILO's extremist majority continued to violate the basic principles of the organization. Why should we expect that the further erosion of the basic principles of the ILO will cease with a 1-year extension?

To think that a 1-year extension would provide significant improvements is, in this Senator's opinion, wishful thinking. It seems to me that more change will occur if we withdraw and serve notice that we will rejoin only when positive reform is made.

Mr. President, the U.S. Chamber of Commerce and the AFL-CIO—one of the world's largest labor movements—are united in favor of withdrawal from the ILO.

DOLE RESOLUTION: A RECOMMENDATION TO THE PRESIDENT

While this resolution would not compel the President to carry out this recommended action, the Senator from Kansas believes the Senate should go on record as having expressed its concern on this very important worldwide issue. I, therefore, urge my distinguished colleagues to join me in adopting this resolution.

SENATE RESOLUTION 302—SUBMISSION OF A RESOLUTION RELATING TO REORGANIZATION OF DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

(Referred to the Committee on Governmental Affairs.)

Mr. McINTYRE (for himself, Mr. ROBERT C. BYRD, Mr. DURKIN, Mr. ABOUREZK, Mr. PERCY, Mr. McCLURE, Mr. MUSKIE, Mr. BENTSEN, Mr. McGOVERN, Mr. WALLOP, Mr. YOUNG, Mr. STAFFORD, Mr. JOHNSTON, Mr. HAYAKAWA, Mr. GARN, Mr. CLARK, Mr. DOLE, Mr. LEAHY, Mr. CULVER, Mr. HATHAWAY, and Mr. SCHMITT) submitted the following resolution:

S. RES. 302

Resolved, That the Secretary of Housing and Urban Development should not implement the proposed reorganization of area, field and insuring offices of the Department of Housing and Urban Development prior to the time when the appropriate committees of the Congress have had an opportunity to hold hearings on such reorganization.

HUD REORGANIZATION

Mr. McINTYRE. Mr. President, I am today submitting a resolution relating to the recently announced decision by the Department of Housing and Urban Development to reorganize internal structure. The reason I was first prompted to consider this resolution, Mr. President, was to assure Senate awareness of the exact impact of the reorganization on each area and State represented by this body. This reorganization is not based on legislative reorganization proposals adopted by Congress earlier this year, but represents an attempt to begin to streamline the Federal bureaucracy.

Mr. President, each of us as Representatives of our respective States desires to assure our citizens access to their Government. At the same time, we have a duty to also assure our constituents that Federal services supported by citizens' taxes will return the best services for the lowest cost.

Secretary Harris has given her assurance to the citizens of each State that her new reorganization will provide better service at a lower delivery cost; that each State will receive not only the old level of service but better service.

I believe we can and must have more efficiency in Government while providing the same or better service, and I believe our constituents support Government reorganization.

HUD says greater efficiency will result from this reorganization, and I have been assured by HUD that each Senator and staff has been briefed or will be if a request is made.

Mr. President, since I first announced my intent to submit this resolution, HUD has increased its effort to inform each individual Senator on the impact of the reorganization on the State he represents. We have been briefed, or will be, if a Senator requests. Our course appears clear. Either we accept HUD's assurances that they can deliver, or we can exercise our constitutional prerogative.

The purpose of our earlier vote in favor of reorganizational powers was, in my opinion, a legislative recognition of our desire to give the President the opportunity to restructure the executive branch departments. I can assure my colleagues, however, that, if my State receives less service than we previously received, I will introduce legislation modifying such reorganizational powers.

I must say, however, that I am willing to give reasonable reorganization a chance. Certainly, the present system provides us with a broad opportunity to improve.

Mr. McGOVERN. Mr. President, I want to associate myself with the remarks offered by my colleague from New Hampshire.

Providing a decent home for every American is a challenge this Nation has not met. We have made significant progress. But considering the ruination that plagues vast areas of major cities, to the rural slums that pass as homes for many who live in small towns and the countryside, we still have much work to be done.

I am convinced that the new Secretary of the Department of Housing and Urban Affairs wants to successfully meet the challenge before us. Since taking office, Secretary Harris and her staff have conducted a study into how the Department might better deliver services.

The results of that study are now available and they give us some broad clues as to the method by which the Department believes it can come closer to meeting its program objectives. The overall concept HUD appears to have adopted in the reorganization plans it has put forth is increasing the centralization of staff, facilities, and program support. For South Dakota, the reorganization means that all multifamily housing programs and services now administered by the Sioux Falls insuring office will be moved from Sioux Falls to Denver. On paper it might appear that the new system, operating out of a newly established area office, would be more efficient.

Mr. President, I do not believe it will work. I have talked with a number of lenders, developers, contractors, and operators of multifamily housing projects of every type in my State. They do not believe it will be more efficient for them to have to deal with people in Denver as opposed to Sioux Falls. I ask unanimous consent that a sample of one of the comments that I have received since publication of the Department's plans be printed in the RECORD at the conclusion of my remarks.

The resolution we offer today is intended to make certain that the Banking, Housing, and Urban Affairs Committee of the Senate and the Banking, Finance and Urban Affairs Committee of the House of Representatives, and others, have a chance to examine in detail the implications of the plans that Secretary Harris has outlined. Perhaps the reorganization will be the key to making HUD programs more effective and efficient. But if that is the case, then surely the Department would have no objection to scrutiny by the appropriate committees of the Congress.

Reorganization solely for the sake of reorganization is worse than none at all. People are more important than symmetry on a flow chart. The people who serve South Dakota from the Sioux Falls Insuring Office are the kind of Government employees who debunk the myth of the uncaring, nameless, faceless bureaucrats. The success of Federal housing programs in my State, to a large measure, can be attributed to the energy and dedication of those who administer the program on a local level. It would be a shame to destroy that kind of service and that kind of accountability by increasing the centralization of the Department's programs.

I urge favorable consideration of this resolution in the hope that it will prevent hasty action which we may regret later.

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

SIOUX FALLS, S. DAK.,
October 18, 1977.

Senator GEORGE McGOVERN,
Dirksen Office Building,
Washington, D.C.

DEAR SENATOR McGOVERN: I am submitting some of my concerns regarding the recent announcement to reorganize the HUD

Region VIII structure. I am in favor of a reorganization that will speed up processing and bring some degree of efficiency to HUD so that we who bring the services to the people can do a better job. At this time I fail to see how the proposed reorganization will accomplish that. Specifically I submit the following:

1. Communication from the regional office presently leaves much to be desired. We find out from our personal and national association contacts relevant information long before it filters down from the regional office.

2. The Region does not seem to be able to handle the work it presently has, much less take on additional responsibilities. We submitted requisitions for payment 5-16-77 for payments during quarters ending 6-30-77 and 9-30-77 that still have not been made. On one contract payment was made 8 months late.

3. Our applications for housing units in Sioux Falls were returned to us "because they did not rank high enough." The agency the units were awarded to had no experience in the program administration nor was trained or equipped to handle the program. The decision to ignore our 10 years of expertise was obvious.

4. The painful and costly delays caused by the previous administrations musical chairs in the HUD offices should not happen again.

5. A very recent application for a rent increase which should normally be approved in thirty days, we are advised will take 90-120 days.

6. The previous HUD region left a trail of broken promises that I hope will not happen again. Specific set asides of unit allocations and funding commitments were reneged by the HUD region.

7. South Dakota needs a strengthening of programs and personnel not a cutback. We have proven to be efficient and innovative when given the opportunity.

8. The record of the local FHA office can stand on its merits. More can be done if HUD Washington will allow it.

9. The people we serve deserve more than second rate or hand me down service. South Dakotas share of catching up to the goal of the 1968 Congress of 20 million housing units in 10 years requires additional effort by HUD and private enterprise. Specifically increasing services rather than cutting back. (That goal is presently only ½ achieved).

I urge you to exert your efforts and concern to a system of improving the delivery of assistance to the people.

V. TINKLENBERG,
Director, Sioux Falls Housing & Redevelopment Commission.

THE BANK OF TORONTO,
October 19, 1977.

Re Moving of South Dakota HUD office to Denver.

Hon. GEORGE MCGOVERN,
Washington, D.C.

DEAR SENATOR: It is my personal belief and the belief of my colleagues that it would cause a hardship for the builders and sponsors of HUD projects if Sioux Falls were to be consolidated with Denver. To put this on a more personal basis I own a 236 project of 15 units in Huron, South Dakota. The project was at one time in serious trouble and I went to the Sioux Falls office where Ike Kirkvold and Paul Derr were able to put the project at a payout situation.

The State of South Dakota has approximately 3000 units that are HUD insured and they have not had a single foreclosure. For our population I think the Sioux Falls office has done a tremendous job in serving the area and should be permitted to continue to do so. It would be very hard to have personal contact with the HUD office being located in Denver. It seems to me that only through personal contact and close working relations with builders and sponsors can these projects be kept out of foreclosure. We sincerely seek your help in stopping this consolidation.

Yours very truly,
M. A. LUND, *President.*

ART PUGSLEY CONSTRUCTION CO., INC.,
Huron, S. Dak., October 18, 1977.

Re Palace Apts. Mitchell, S.D., Projects No. 091 44029 LDP SUP; Colonial Apts. Huron, S.D., Project No. 091 44019 LDP SUP; Townhouse Apts. Huron, S.D., Project No. 091 35016 LDC SUP; Fairlane Apts. Huron, S.D., Project No. 091 35026 LDC SUP.

PATRICIA ROBERTS S. HARRIS,
Secretary of Housing and Urban Development, Washington, D.C.

DEAR MS. HARRIS: We have just been informed that the Sioux Falls, South Dakota "HUD Insuring Office" has been changed to a "Valuation Station" for single family units only.

This is of great concern to us as this means we will have to deal with Denver, Colorado Office on our four subsidized multi-family housing projects. Denver is too far away to understand our problems or to be easily available for quick answers to any questions. South Dakota is basically a rural area and our needs are much different than those in Denver which is an urban area. The Denver office is so large and far away that the service could not possibly be as good.

We, therefore are requesting that the Sioux Falls, South Dakota office also be designated as a "Service Office With Multi-Family Housing."

The present HUD Insuring Office has a very good record. They have never had a default on a multi-family housing project. Percentage wise they administer a very high ratio of subsidized multi-family housing according to the population of South Dakota. Also, as far as we are concerned, the personnel and service are both excellent.

We would appreciate it if you would give our suggestion your consideration.

Sincerely,
ARTHUR M. PUGSLEY.

CAPITAL APARTMENTS,
Mitchell, S. Dak., October 18, 1977.

Sen. GEORGE S. MCGOVERN,
Dirksen Senate Office Building,
Washington, D.C.

DEAR SENATOR MCGOVERN: It appears from recent news releases that HUD is up for reorganization again and as I understand it, the present proposal would designate the Sioux Falls, South Dakota office as a "valuation station—single family". I assume that if the Sioux Falls office is so designated, service from the Sioux Falls office will be limited to processing new applications on single family dwellings.

I am a housing owner and a participant in subsidized housing for the elderly—low income, being Project No. 091-35012-LDP-SUP, known as Capital Apartments, Mitchell, South Dakota, constructed in 1968 under Section 221(d)(3).

The initial application for this project was handled by the Sioux Falls office. To keep the project on a sound financial basis and to keep up with the constant changes in HUD's regulations has required a good deal of service and I am very thankful to the Sioux Falls office for the excellent cooperation I have received. From my experience the last 8½ years, I hate to think of the problems that I would encounter if the closest HUD service office is in Denver, approximately 700 miles away instead of Sioux Falls, approximately 70 miles away.

Irene and I are proud of Capital Apartments and feel that we have provided a real contribution to 28 low income, elderly families of this community. I am very pleased with the constant service that we have received from the Sioux Falls office in connection with this project. I would certainly want to retain the service and efficiency that we have received and I understand that to do so would require that the Sioux Falls office be designated as a "service office with multi-family housing".

I would appreciate anything you can do to keep the Sioux Falls office as a service office.

Respectfully yours,
ROGER W. BALDWIN.

SIOUX FALLS, S. DAK.,
October 14, 1977.

Hon. GEORGE MCGOVERN,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MCGOVERN: I'm sure you have already received a myriad of letters in regard to the downgrading of the Sioux Falls HUD Insuring Office to a Valuation Station and the moving of the multifamily servicing to Denver, but as one directly affected I want to add my voice to the chorus.

If President Carter wants to cut down on the cost of Government he certainly is going about it in a strange way. Current instructions require that every subsidized, insured multifamily project be visited twice a year—once for a physical inspection of the property and once for a review of subsidy records. There are 103 insured projects in South Dakota. How can he propose to save money making these trips from Denver rather than Sioux Falls! Also, I find it hard to believe that someone from Denver is going to visit the outlying areas such as Mobridge or Eureka, yet we have projects and people to be served in those places too.

My job is one that is being moved to Denver. I don't want to move from South Dakota, yet will be forced to in order to have a job. Why can't the people of South Dakota be served by people from South Dakota.

Anything you can do to keep the servicing of South Dakota HUD projects in the State of South Dakota will be greatly appreciated. Thank you.

Sincerely,
PALMYRA L. SPENCER.

Hon. GEORGE MCGOVERN,
Capitol One D.C.

I understand the South Dakota HUD (FHA) multi-family functions are being moved to the regional office in Denver, Colorado. This is not in the national interest and certainly not in the best interest of the South Dakota citizens.

At least public hearings should be allowed before such a change should take place. Thank you.

ROBERT D. BUCKINGHAM,
President, Midwestern Homes Inc.
DICK RAGELS,
Partner of D. & L. Builders.

Senator GEORGE MCGOVERN,
Senate Office Building,
Capitol Hill, D.C.

Copy of wire sent to Patricia Harris, secretary of Housing & Urban Development.

Relocation of the services provided by the Sioux Falls, South Dakota, H.U.D. Office will be most inconvenient and, we feel, unsatisfactory. We recommend that, as a minimum, Sioux Falls should have a service office with multi-family functions. We would appreciate knowing what prompted this severe reduction in services.

Milton L. Berg Fritzel, Kroeger, Griffin, Berg Architects, Engineers Planning Consultants, 118 South Main Av., Sioux Falls, S. Dak.

LLOYD REALTY & MANAGEMENT CORP.,
Sioux Falls, S. Dak., October 14, 1977.

Senator GEORGE MCGOVERN,
New Senate Office Building,
Washington, D.C.

DEAR SENATOR MCGOVERN: I was deeply concerned about the news in the Sioux Falls Argus Leader in regard to the closing of the HUD insuring office here in Sioux Falls. We

are a management firm and owners of over 800 units of FHA 236 projects or Section 8 projects in Minnesota and South Dakota. We consider the Sioux Falls office to be the most efficient one we deal with. The time lapse in this office is considerably less than the one out of Denver or Minneapolis.

Whatever you can do to influence Ms. Harris in reconsidering her drastic decision would be appreciated by our organization and the people of South Dakota.

CRAIG LLOYD, *Manager*.

Mr. SCHMITT. Mr. President, I am cosponsoring this resolution submitted by the Senator from New Hampshire because of my concern that the Department of Housing and Urban Development is taking a wrong turn by reducing the services available in FHA-HUD offices located near the people that are supposed to be served. During hearings held before the Committee on Banking, Housing, and Urban Affairs last week, many of the problems being experienced by FHA multi-family programs were analyzed. The committee received suggestions that we spend more money and provide more personnel, but these solutions may, in effect, be like throwing money down a rathole if there is no contact between the decisionmakers and the people who need help.

The recent proposal to reorganize HUD includes as a part of the reorganization a plan to withdraw staff people from field offices and concentrate them more heavily than ever at the regional and Washington headquarters. In Albuquerque, for example, the full service office is being eliminated and replaced by an office two full levels lower on the organizational ladder. This is particularly regrettable since the people of New Mexico have been very happy with the performance of their full service office. It is the only one in the State, yet HUD plans to move all of its multi-family functions to Dallas 700 miles away. This is certainly not bringing government to the people as President Carter promised during his campaign last year. What makes this even more unpalatable is that my office received a call just last week from an Assistant Secretary at HUD telling us that there would be "no change in function" for the Albuquerque office during this reorganization.

Mr. President, I commend Senator MCINTYRE for sponsoring this resolution and will wait for a full explanation of this decision to downgrade the Albuquerque office from the Department of Housing and Urban Development.

SENATE RESOLUTION 303—SUBMISSION OF A RESOLUTION TO PROCLAIM "NATIONAL SOLAR ENERGY DAY"

(Referred to the Committee on the Judiciary.)

Mr. ANDERSON submitted the following resolution:

S. RES. 303

Whereas the Congress is vitally interested in involving the youth and our schools in the programs of the United States to increase energy resources and conserve nonrenewable sources of energy;

Whereas the provisions of the Youth Employment and Demonstration Projects Act of 1977 were enacted to provide jobs for the youth of our nation, including community improvement projects involving, among other things, solar energy techniques, especially those utilizing materials and supplies available without costs;

Whereas the United States of America is embarked on a national program to increase energy resources and conserve nonrenewable sources of energy;

Whereas solar energy offers a nonpolluting, inexhaustible source of energy available for the benefit of all mankind;

Whereas the United States is committed to a program of solar energy research and utilization;

Whereas the full potential of solar energy to provide energy for mankind will only be realized when private industry begins to play a central role in developing and fabricating economically feasible methods of solar conversion and whereas the activities of private industry to do so should be encouraged and supported;

Whereas it is appropriate to establish one day each year during which to encourage solar conversion efforts, to recognize strides in solar energy research and utilization and to increase national awareness of solar energy conversion: Now, therefor, be it

Resolved by the Senate of the United States of America, That the President of the United States is authorized and requested to issue a proclamation designating October 26 as "National Solar Energy Day", and calling upon the people, especially the youth, of the United States to observe such day with appropriate ceremonies and activities.

NATIONAL SOLAR ENERGY DAY FOR SCHOOLS

Mr. ANDERSON. Mr. President, several years ago Senator HUMPHREY introduced several important bills designed to promote the development and use of solar energy. In 1975, a resolution calling for a National Solar Energy Day was introduced and passed the Senate. The date selected was October 26, the date of the legislation pioneered by Senator HUMPHREY.

Since that time Congress has enacted the Youth Employment and Demonstration Projects Act of 1977. This bill was signed into law on August 5 and is now Public Law 95-93. It contains the following language:

(1) useful work experience opportunities in a wide range of community betterment activities such as rehabilitation of public properties, assistance in the weatherization of homes occupied by low-income families, demonstrations of energy-conserving measures including solar energy techniques (especially those utilizing materials and supplies available without cost), park establishment and upgrading, neighborhood revitalization, conservation and improvements, and related activities;

The act's statement of purpose refers to solar energy techniques, especially those utilizing materials and supplies available without cost.

Schools throughout the Nation are already showing their interest in these endeavors and are encouraging students to participate by allowing academic credit for solar energy projects.

It is my understanding that on October 26 schools throughout the Nation will be alerted so that students can learn about securing youth jobs for demonstrating "no-cost solar energy hardware." It is fitting and proper that Congress go on record encouraging such a program, and for this reason I am submitting this resolution.

SENATE RESOLUTION 305—SUBMISSION OF A RESOLUTION TO DESIGNATE THE HUBERT H. HUMPHREY ROOM

(Referred to the Committee on Rules and Administration.)

Mr. KENNEDY (for himself, Mr. ROBERT C. BYRD, and Mr. BAKER) submitted the following resolution:

S. RES. 305

Resolved, That room S. 120 in the U.S. Capitol henceforth shall be designated as the Hubert H. Humphrey Room.

AMENDMENTS SUBMITTED FOR PRINTING

ENERGY TAX BILL—H.R. 5263

AMENDMENTS NOS. 1462 THROUGH 1487

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

Mr. KENNEDY submitted 26 amendments intended to be proposed by him to the bill (H.R. 5263) to suspend until the close of June 30, 1980, the duty on certain bicycle parts.

AMENDMENT NO. 1488

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

Mr. DOLE (for himself and Mr. KENNEDY) submitted an amendment intended to be proposed by them to the bill (H.R. 5263), supra.

AMENDMENT NO. 1489

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

Mr. BAYH (for himself, Mr. ABOUREZK, Mr. ANDERSON, Mr. EAGLETON, Mr. JAVITS, Mr. MORGAN, and Mr. ZORINSKY) submitted an amendment intended to be proposed by them to the bill (H.R. 5263), supra.

AMENDMENTS NOS. 1490 AND 1491

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

Mr. MATHIAS. Mr. President, as we consider the Energy Production and Conservation Tax Incentive Act, H.R. 5263, I think it is imperative that we insure that the bill we vote out and that is sent to the conference committee is a fair one. One way to do that, is to make sure that the American consumer, who is ultimately affected by what action we take, has an opportunity to benefit from this bill in an equitable manner.

For months many Marylanders have written to me expressing concern over the tax proposals of the President's energy program. Specifically, a significant number of them were worried that the conservation measures which they took in anticipation of the energy crisis, such as installing more insulation, would not be covered by any new legislation providing for tax credits for such efforts. They would, in effect, be penalized for being forehanded.

I have assured the people of Maryland that I would do all that I could to see that if tax rebate or tax credit provisions were enacted into law under the President's program, those provisions would be made sufficiently retroactive to cover Americans who were prudent enough to act even without a Government incentive to install energy-saving

home improvements and before such an incentive had been authorized by law.

Those provisions are now in the bill before us in title I, part I, section 1011, the "Residential Energy Credit." Under these provisions there is a tax credit of 20 percent of the initial $2,000 of expenditures on home insulation and other residential energy conserving components (for a maximum credit of $400). This credit may exceed tax liability (that is, it is a refundable credit.)

Similarly, homeowners would also be eligible for a credit for renewable energy source equipment, which includes solar, wind, and geothermal energy systems. The credit would be 30 percent of the first $2,000 of expenditures and 20 percent of the next $8,000 (for a maximum credit of $2,200). This credit would also be refundable.

As written, however, the committee bill provides that these credits are to be available for installations made from April 20, 1977, through December 31, 1985.

Mr. President, this is no time to penalize those foresighted enough to recognize a problem and do something about it on their own. The benefits of any such legislation should accrue to all fairly entitled to them.

Certainly, I am aware that there is bound to be an element of arbitrariness about any date that is selected to be the effective date for these credits. But surely there is nothing magical about the date the President announced his national energy plan. Many Marylanders and other Americans saw the plight that our country faced and acted long in advance of the President's speech. They should not be denied access to the benefits of this legislation. To allow them the benefits will encourage them to take further steps to conserve energy.

It is for these reasons that I am offering my amendments which would change the effective date of these provisions to a time that I think is more just.

The first alternative amendment sets the effective date at January 1, 1976. It seems only fair to me that we recognize that it has been since that time, really, that the public has begun to take affirmative action at home to help conserve energy. While there may be some lost revenue, it is apparent that that loss will be made up in other much more important ways in the long run.

The second alternative amendment sets the effective date at January 1, 1977. This is a compromise date arrived at to insure fair coverage while not endangering revenues.

AMENDMENT NO. 1492

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

Mr. PERCY. Mr. President, I am submitting an amendment to the energy tax bill to encourage use of high efficiency electric motors. I believe the potential for reduction of energy waste is great enough, and the cost to the Treasury low enough, to justify giving motors a conservation investment tax credit. I ask unanimous consent that the text of this amendment, together with my Dear Colleague letter and a factsheet, be printed in the RECORD.

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

AMENDMENT NO. 1492

At the appropriate place, insert the following new section:

SEC. 1034. Increase in investment credit for energy-efficient electric motors.

(a) In General.—Subpart B of part IV of subchapter A of Chapter 1 (relating to rules for computing credit for investment in certain depreciable property) is amended by inserting immediately after section 46 the following new section:

"SEC. 46A. SPECIAL RULES RELATING TO ENERGY-EFFICIENT ELECTRIC MOTORS.

"(a) IN GENERAL.—In lieu of the amount which would be determined under section 46(a)(2)(A) with respect to qualified electric motors, the amount of the credit allowed by section 38 for the taxable year with respect to such property shall be an amount equal to 15 percent of the qualified investment (as determined under section 46(c) and (d) in section 38 property which is (or for the purposes of applying Section 46(d) will be) a qualified electric motor.

"(b) ADDITIONAL PERCENTAGE.—In the case of a corporation which elects to have the provisions of this subsection apply, the amount of the credit allowed by section 38 for the taxable year with respect to qualified electric motors shall be an amount equal to the percentage determined under subsection (a) plus—

"(1) an additional percent of the qualified investment in such property (as determined under subsections (c) and (d) of section 46), and

"(2) an additional percent (not in excess of ½ percent) of such qualified investment (as so determined) equal in amount to the amount determined under section 301(e) of the Tax Reduction Act of 1975.

An election may not be made to have the provisions of this subsection apply for the taxable year unless the corporation making the election meets the requirements of section 301(d) of the Tax Reduction Act of 1975. An election by a corporation to have the provisions of this paragraph apply shall be made at such time, in such form, and in such manner as the Secretary may prescribe.

"(c) DEFINITIONS.—

"(1) ELECTRIC MOTOR.—The term 'electric motor' means any electric motor (including, but not limited to, any single-phase or polyphase AC or DC motor) which has a horsepower equal to or greater than 1 and less than or equal to 125 and which is labeled as a qualified electric motor by the manufacturer thereof in accordance with the regulations prescribed by the Secretary under subsection (d).

"(2) QUALIFIED ELECTRIC MOTOR.—An electric motor shall be considered a qualified electric motor if with respect to its horsepower such motor has an energy efficiency percentage greater than or equal to that prescribed in the following table:

"If the horsepower is:	*The percentage shall be equal to or greater than:*
At least 1 but less than 2	82.5
At least 2 but less than 3	84.0
At least 3 but less than 5	85.5
At least 5 but less than 7½	87.5
At least 7½ but less than 10	88.5
At least 10 but less than 15	89.0
At least 15 but less than 25	90.5
At least 25 but less than 40	92.0
At least 40 but less than 75	93.5
At least 75 but less than or equal to 125	94.0

"(3) ENERGY EFFICIENCY PERCENTAGE.—The term 'energy efficiency percentage' with respect to any motor is the percentage equal to a fraction, the numerator of which is the output power of the motor, and the denominator of which is the input power of the motor, as measured at full load (as determined in accordance with regulations prescribed by the Secretary under subsection (d)).

"(4) MANUFACTURER.—The term 'manufacturer' includes any manufacturer or importer of any electric motor.

"(5) MODEL LINE.—The term 'model line' means any model type produced by a manufacturer which is identifiable by horsepower, design type, and speed.

"(d) Regulations.—

"(1) IN GENERAL.—Within one year after the date of the enactment of this section, the Secretary of the Treasury, in consultation with the Secretary of Energy, shall prescribe regulations which—

"(A) prescribe procedures for determining the energy efficiency percentage of an electric motor,

"(B) prescribe methods to determine the efficiency of model lines and to label such lines as qualified electric motors.

Such methods and procedures shall be held generally acceptable by manufacturers and shall not be unduly burdensome.

"(2) LABELING AND TESTING.—Nothing in this subsection shall require a manufacturer to test or label any electric motor unless the manufacturer represents that such motor is a qualified electric motor under this section."

(b) Clerical Amendment.—The table of sections for such subpart is amended by inserting immediately after the item relating to section 46 the following new item:

"SEC. 46A. Special rules relating to energy-efficient electric motors."

(c) EFFECTIVE DATE.—The amendments made by this section apply with respect to—

(1) property to which section 46(d) of the Internal Revenue Code of 1954 does not apply, the construction, reconstruction, or erection of which is completed by the taxpayer during the period beginning on the date six months after regulations are prescribed under section 46A(d) and ending December 31, 1985, but only to the extent of the basis thereof attributable to construction, reconstruction, or erection during such period.

(2) property to which section 46(d) of such Code does not apply, acquired by the taxpayer during such period, and

(3) property to which section 46(d) of such Code applies, but only to the extent of the qualified investment (as determined under subsections (c) and (d) of section 46 of such Code) with respect to qualified progress expenditures made during such period.

WASHINGTON, D.C.,
October 19, 1977.

DEAR COLLEAGUE: The Carter Administration and the Finance Committee have overlooked a significant energy-saving item when preparing the lists of conservation equipment that would qualify for an additional 10 percent investment tax credit: high efficiency electric motors. I intend to offer a floor amendment to the energy tax bill to give a tax credit for purchase of such motors.

Motors use 60 percent of all electricity produced in this country. High-efficiency motors can save one-third and more over average efficiency models. The Federal Energy Administration has calculated that we could cut total U.S. electrical consumption by 5 percent if we used energy-saving motors in industry alone.

However, high efficiency motors cost up to 40 percent more than standard models. Businesses are often reluctant to finance this additional cost, even when the payback in

operating costs comes within 3 to 5 years. A tax credit would lower the initial cost and thus spur purchase of these motors.

I propose giving high-efficiency motors a limited additional tax credit. The 10% credit in the energy tax bill would and should be given only to equipment which does nothing but save energy. A full 10% credit for motors is too much, as businesses obviously purchase motors to perform specific tasks, while the energy-saving qualities these motors exhibit are secondary to the reason for purchase.

The credit would apply only to those sizes of motors which industry commonly uses, and which have the potential to achieve significant savings (1 to 25 horsepower). "High efficiency" would be defined as consuming 25% less power than current averages. Only one in 20 motors in the applicable size range sold today would qualify. Testing would be done according to generally accepted motor industry procedures, as certified by the Secretary of the Treasury in consultation with the Secretary of Energy. The maximum revenue loss to the Treasury would be under $50 million per year for the four years during which the credit would be in effect.

I attach both the amendment and a question and answer fact sheet about it. I believe the cost of this credit is small compared to the potential energy savings. If you agree and would like to cosponsor, or if you would like more information, please contact me, or have your staff contact Ron Lanoue (4-2172) or Chris Palmer (4-1462).

Sincerely,

CHARLES H. PERCY,
U.S. Senator.

SENATOR CHARLES H. PERCY QUESTIONS AND ANSWERS ON MOTOR TAX CREDIT

Q. How large is the potential for motor energy savings?

A. Motors account for over 60 percent of all electricity used in this country. Efficiency improvements of 40 percent are possible using standard textbook technology.

Q. Then why doesn't industry buy more efficient motors?

A. Industry is beginning to show interest in high-efficiency motors, due to rising electricity costs. But these motors cost more initially: perhaps 30 percent more for a 25 percent improvement in efficiency, 50 percent more for a 35 percent improvement. And many businesses are still primarily concerned with first cost.

Q. Won't the motor standards in the Conservation Act, S. 2057, solve the problem?

A. These standards are an important step, and will help eliminate the last inefficient motors. But these standards:

Will not be issued in final form for 5 years, and thus will effect no improvements before then;

Cannot (and will not) be set higher than industry average efficiencies, and thus will provide no incentive to exceed current averages.

Q. Won't the appliance standards in S. 2057 bring about use of high-efficiency motors in appliances?

A. Very likely yes. But the motors in air conditioners, washing machines, and other home appliances are almost all below one horsepower (HP) in size. The proposed credit will cover motors which business uses, of 1 HP and up.

Q. Doesn't the energy tax bill allow an additional investment credit of 10 percent for conservation investments?

A. It allows such a credit for a specified list of "single-use" energy saving products, such as insulation, automatic control systems, and heat recuperators. It excludes energy saving motors (which businesses would buy not only to save energy but to perform a task such as powering machinery). We feel that the potential for conservation requires inclusion of motors in any credit. We recognize a 10 percent credit should apply only to "single-use" equipment. We therefore propose a partial credit for motors of 5 percent for those which are over 25 percent above current averages.

Q. Is motor efficiency easy to measure?

A. There are several different test procedures. However, the American motor industry, including its trade association (National Electrical Manufacturers Association, or NEMA) accept the test procedures of the Institute of Electrical and Electronics Engineers (IEEE). Use of the IEEE methods on standard statistical samples of motors provides accurate measurement of product lines.

My proposed tax credit would instruct the Secretary of Treasury, in consultation with the Secretary of Energy, to prescribe test procedures held generally acceptable by motor manufacturers. It is expected that he would choose the industry's IEEE methods.

Q. Would the amendment require motor labeling?

A. Motors would need to be labeled only if the manufacturer voluntarily chose to do so in order to enable his customers to reap the benefits of the tax credit. This program would not preempt the mandatory motor labeling program in the Conservation Act, S. 2057. The Secretary of Treasury is instructed to ensure the testing and labeling rules he prescribes are in accord with those the Secretary of Energy promulgates.

Q. What is the source for data on industry averages?

A. Industry average data are based on reports by Arthur D. Little for FEA, and by two large motor manufacturers, Gould and Westinghouse. Table 1 (attached) shows the current average, a 25 percent improvement, and the credit threshold.

Q. Why doesn't the amendment set one single efficiency level for all motors, instead of varying it according to size (Horsepower)?

A. Motor efficiency is in part a function of horsepower: the bigger the motor, the higher the efficiency. To set one high credit level would mean small and medium-sized motors could not qualify for a credit.

Q. About half of industrial motors sold go to equipment manufacturers who incorporate them into compressors, fans, and other assemblies. How does the amendment deal with this problem?

A. The company that claims a tax credit would need to produce certification from a manufacturer as to the original sale price, if that company bought such an assembly. Here again, manufacturer participation is voluntary.

Q. Why does the credit not apply to motors above 125 horsepower?

A. The Federal Energy Administration has identified motors below 125 HP as holding the greatest potential for conservation. Motors above that size are already near to technological limits of efficiency.

Q. How much will the credit cost the Treasury?

A. Under the least favorable set of assumptions the credit would result in a tax loss of only $50 million per year for its 4-year lifespan. The credit would more likely cost $10 million or less (if applied to today's motor market it would cost about $2 million per year.)

Q. How much energy will this credit save?

A. The Federal Energy Administration calculated that use of high efficiency electric motors could cut U.S. electrical consumption by 5 percent by 1990. This credit would achieve a significant portion of these savings, perhaps approaching 1 percent of electrical consumption.

TABLE I.—*Electric motor efficiency*

[In percent]

Sizes [1]	Current average	25 percent improvement	Credit threshold [2]
1	76.0	80.8	82.5
1.5	77.8	82.4	82.5
2	79.6	84.0	84.0
3	81.4	85.6	85.5
5	83.6	87.4	87.5
7.5	84.6	88.2	88.5
10	85.8	89.0	89.0
15	87.4	90.2	90.5
20	88.6	91.0	90.5
25	90.2	91.6	92.0
30	89.8	92.2	92.0
40	90.8	93.0	93.5
50	91.4	93.4	93.5
60	91.6	93.6	93.5
75	92.0	94.0	94.0
100	92.2	94.0	94.0
125	92.4	94.0	94.0

[1] Standard motor sizes (horsepower).

[2] The credit thresholds represent a 25 percent improvement in each category, rounded up to the nearest half percent. See the amendment for the actual categories.

Sources: Gould, Inc.; Westinghouse, Inc.; Federal Energy Administration.

AMENDMENT NO. 1493

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

Mr. PERCY. Mr. President, today I am submitting an amendment to the energy tax bill to encourage the use and commercialization of ethanol and methanol automotive fuels. I learned recently that an amendment similar to mine was introduced in the Committee on Finance by my distinguished colleague from Kansas, Senator DOLE. That amendment passed the committee by a vote of 16 to 1. The amendment I am introducing differs from that of Senator DOLE sufficiently to warrant its introduction today. In fact, Senator DOLE has agreed to cosponsor this new amendment along with Senators ALLEN, ANDERSON, BAYH, BURDICK, CURTIS, FORD, HELMS, HOLLINGS, JAVITS, LUGAR, MATHIAS, MCCLURE, MCGOVERN, PELL, RIEGLE, YOUNG, and ZORINSKY.

Specifically, the amendment will exempt automotive fuels composed of at least 10 percent nonpetroleum derived alcohol from the present Federal excise tax of 4 cents per gallon. This exemption would cover alcohol derived from agricultural products, forest materials, coal, and other nonpetroleum sources.

The amendment adopted by the Committee on Finance would also exempt alcohol-blended fuels from the excise tax. However, the amount of exemption would vary, depending on the source of alcohol. I believe that this provision would unnecessarily complicate the goal we have in mind—that of providing the public with a simple choice either conventional gasoline, or a renewable, domestic, clean alcohol fuel. Different prices for different types of alcohol will confuse the public and decrease the effectiveness of alcohol fuel as an alternative to imported petroleum.

Therefore, I wish to formally submit

this amendment for printing today, and I ask unanimous consent that the text of the amendment, along with a letter concerning it which I recently wrote to my colleagues, be printed in the RECORD.

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

AMENDMENT NO. 1493

On pages 20 to 22, strike all from and including line 18 on page 20 to and including line 10, page 22.

On page 20, between lines 17 and 18, insert the following:

(b) Alcohol Used As Fuel Not Subject To Taxes on Distilled Spirits—

(1) IN GENERAL.—Subsection (a) of section 5214 (relating to withdrawal of distilled spirits from bonded premises free of tax or without payment of tax) is amended by striking out the period at the end of paragraph (9) and inserting in lieu thereof "; or", and by adding after paragraph (9) the following new paragraph:

"(10) without payment of tax to the extent that such spirits are alcohol (other than alcohol produced from petroleum or natural gas) the primary use of which is fuel for motor vehicles.".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to alcohol withdrawn after December 31, 1977.

(c) Gasoline Mixed With Alcohol.—

(1) IN GENERAL.—Section 4081 (relating to imposition of tax on gasoline) is amended by adding at the end thereof the following new subsection:

"(c) Gasoline Mixed With Alcohol.—

"(1) IN GENERAL.—Under regulations prescribed by the Secretary, no tax shall be imposed by this section on the sale of any gasoline—

"(A) in a mixture with alcohol, if at least 10 percent of the mixture is alcohol, or

"(B) for use in producing a mixture at least 10 percent of which is alcohol.

"(2) LATER SEPARATION OF GASOLINE.—If any person separates the gasoline from a mixture of gasoline and alcohol on which tax was not imposed by reason of this subsection, such person shall be treated as the producer of such gasoline.

"(3) ALCOHOL DEFINED.—For purposes of this subsection, the term 'alcohol' includes methanol and ethanol but does not include alcohol produced from petroleum or natural gas.".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to sales after December 31, 1977 and before October 1, 1985.

(d) Alcohol Mixed With Special Fuel.—

(1) IN GENERAL.—Section 4041 (relating to imposition of tax on special fuels) is amended by adding at the end thereof the following new subsection:

"(k) Fuels Containing Alcohol.—

"(1) IN GENERAL.—Under regulations prescribed by the Secretary, no tax shall be imposed by this section on the sale or use of any liquid fuel at least 10 percent of which consists of alcohol (as defined by section 4081 (c)(3)).

(2) LATER SEPARATION.—If any person separates the liquid fuel from a mixture of the liquid fuel and alcohol on which tax was not imposed by reason of this subsection, such separation shall be treated as a sale of the liquid fuel.".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to sales or use after December 31, 1977 and before October 1, 1985.

(e) Reports.—

(1) ANNUAL REPORT.—On April 1 of each year, beginning with April 1, 1979, and ending on April 1, 1985, the Secretary of Energy, in consultation with the Secretary of the Treasury and the Secretary of Transportation, shall submit to the Congress a report on the use of alcohol in fuel. The report shall include—

(A) a description of the firms engaged in the alcohol fuel industry,

(B) the amount of alcohol fuels sold in each State and the amount of gasoline saved in each such State,

(C) the revenue loss resulting from the exemptions from tax for alcohol fuels under sections 4041(k), and 4081(c) of the Internal Revenue Code of 1954, and

(D) the cost of production and the retail cost of alcohol fuels as compared to gasoline and special fuels before the imposition of any Federal excise taxes.

(2) The reports submitted to the Congress on April 1, 1985, shall contain, in addition to the information required under paragraph (1), an analysis of the effect on the alcohol fuel industry of the termination of the exemption from excise taxes provided under sections 4041(k) and 4081(c) of the Internal Revenue Code of 1954.

On page 22, line 11, strike "(3)" and insert "(f)".

On page 23, strike lines 4 through 6.

WASHINGTON, D.C.,
September 15, 1977.

DEAR COLLEAGUE: I will soon be introducing an amendment to the Energy Tax Bill to encourage the use and commercialization of alcohol automotive fuel. Specifically, the amendment will exempt gasoline with a minimum blend of 10 percent non-petroleum derived ethanol or methanol from the present federal fuel tax of 4 cents per gallon for a test period of six years.

Alcohol as an automotive fuel could make a significant contribution towards reducing this nation's dependence on foreign sources of petroleum. It is completely usable in present engine designs when combined with gasoline in amounts of 20 percent or less. In addition, alcohol fuel can aid dramatically in eliminating harmful pollutants from car exhaust and in improving mileage efficiency.

The United States presently consumes 103 billion gallons of gasoline each year. The use of 10 percent alcohol-blended gasoline could cut this nation's oil imports by 20 billion gallons yearly, or almost one and one-half million barrels of crude oil each day. Alcohol will not only substitute for the dwindling supply of petroleum, but its increased utilization would provide a strong market for agricultural surplus and wastes, forest products, coal, and even urban sewage.

Several states have taken important initiatives in the development of alcohol fuel. They are designing methods of alcohol production that are consistent with the peculiarities of their specific regions. The success of these initiatives demonstrates the many benefits of a domestic fuel industry fed on American agricultural and natural resources.

Despite this progress, the development of a private alcohol fuel industry is still a risky business. Alcohol production is more costly than gasoline and, therefore, less profitable. Economies of scale will not be realized until use becomes widespread. With increased demand, however, a blended-fuel market would grow to profitable proportions. Preferential treatment of alcohol is required to stimulate demand for this valuable domestic resource.

Exemption from the present four cents per gallon federal fuel tax for alcohol-blended gasoline would provide a mechanism to do just this. By making alcohol fuel price competitive with gasoline, public awareness of alcohol fuel as a way of decreasing our dependence on foreign oil would be promoted. It will serve to consume agricultural residues, timber products, coal, and sewage. As the demand for alcohol fuel increases, the construction and commercialization of alcohol producing plants would be encouraged.

The exemption will cause little revenue loss to the U.S. Treasury because at present, the capacity to produce alcohol is small and will require several years to grow. The exemption will end on January 1, 1984. By that time, alcohol-blended fuels are expected to be cost competitive with gasoline. In addition, because total consumption of automotive fuel will not be affected by the blending of alcohol with gasoline, state gasoline tax revenues will not be reduced.

A copy of the amendment is attached for your consideration. If you have any questions, or would like to co-sponsor this amendment, please have your staff contact Dave Carol (4-1460) or Chris Palmer (4-1462).

Sincerely,

CHARLES H. PERCY,
U.S. Senator.

AMENDMENT NO. 1494

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

FEDERAL ALCOHOL FUEL TEST FLEET PROGRAM

Mr. PERCY. Mr. President, today I am submitting an amendment to the energy tax bill, H.R. 5263, to create a Federal alcohol fuel test fleet.

I ask unanimous consent that the text of the amendment along with a letter to my colleagues explaining it be printed in the RECORD.

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

AMENDMENT NO. 1494

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Title may be cited as the "Alcohol Fuels Research and Demonstration Project of 1977."

FINDINGS AND PURPOSE

SEC. 02. (a) The Congress hereby finds and declares that—

(1) domestic reserves of petroleum are finite and insufficient to meet current and foreseeable energy needs;

(2) it is desirable to achieve as rapidly as possible the capability of becoming independent of foreign sources of energy; and

(3) it is in the best interest of the Nation to rapidly investigate, develop, and employ technologies to economically produce and utilize domestic, non-petroleum and non-natural gas derived alcohol fuels as a substitute for, and as a supplement to, petroleum and petroleum products.

(b) The purpose of this Title is, through a limited, scientifically controlled, research and demonstration project which utilizes alcohol fuels (in lieu of or in combination with conventional petroleum-based fuels) in the operation of passenger vehicles, to provide Congress with information as to the economic, scientific, technological, and environmental feasibility of utilizing alcohol as a motor fuel on a large scale.

DEFINITIONS

SEC. 03. For the purposes of this Title—

(1) the term "alcohol fuel" means domestic ethanol and methanol of greater than ninety-nine per centum purity derived from sources other than petroleum or natural gas;

(2) the term "United States" includes the District of Columbia, the Commonwealth of Puerto Rico, and the territories and possessions of the United States;

(3) the term "motor vehicle" means any gasoline-powered passenger sedan or station

wagon designed for use on the Nation's highways;

(4) the term "blend" means a fuel mixture consisting of at least 10 per centum alcohol by volume;

(5) the term "Project Administrator" means the chief executive official of the project agency selected under section 04; and

(6) the term "executive agency" means an executive agency as defined in section 105 of title 5, United States Code, and shall also include the United States Postal Service.

SELECTION OF A PROJECT AGENCY

SEC. 04. (a) No later than six months after the date of the enactment of this Title, the Secretary of Energy shall, applying the criteria specified in subsection (b), select an executive agency to conduct the research and demonstration project authorized by this Title.

(b) The Secretary in his selection of the project agency, shall apply the following criteria:

(1) the agency annually purchases or leases (for a period of a year or more) more than 1,500 passenger sedans or station wagons which are expected to be fueled and maintained at a common facility or facilities;

(2) the agency's vehicles operate in several different locations under different climatic conditions; and

(3) the agency is capable of collecting research and other data which the Secretary expects to collect under section 05.

ESTABLISHMENT OF A RESEARCH AND DEMONSTRATION PLAN

SEC. 05. (a) No later than six months after the selection of a project agency, the Secretary of Energy, after consultation with the Project Administrator, shall establish a research and demonstration plan (hereinafter in this Title referred to as the "plan") which shall include—

(1) the variety of motor vehicle models, types, and sizes to participate in the demonstration, which, to the extent feasible, shall represent a cross-section of motor vehicles;

(2) the modifications required in conventional automotive design to utilize the alcohol fuel;

(3) the appropriate method of mixing, storage, and delivery of fuel blend;

(4) the changes in motor vehicle maintenance or operation anticipated in utilizing the alcohol fuel;

(5) the research and other data, both base and comparative, particularly with regard to vehicle emissions and performance, to be collected by the Project Administrator under the plan and to be transmitted to the Secretary pursuant to section 06(d).

(b) The plan shall require that all alcohol used shall be produced and refined in the United States.

(c) Except as provided in subsection (b), the Secretary of Energy, after his adoption of the plan, and after consultation with the Project Administrator, may alter the plan from time to time to further the purposes of this Title.

OPERATION OF MOTOR VEHICLES USING ALCOHOL FUEL

SEC. 06. (a) In accordance with the plan but in no case later than one year after the establishment of the plan, the Project Administrator shall require for a period not to exceed three years that at least 1000 of the motor vehicles purchased or leased (for a period of a year or more) during such period and expected to be fueled at pumps under his control shall be equipped to utilize an alcohol-blended fuel. One hundred of these motor vehicles shall be equipped to utilize a fuel which is at least 90 percent alcohol.

(b) The Project Administrator shall provide such storage and pumping facilities, and require that they be operated in such a manner, as to conform to the plan. The Project Administrator shall operate and maintain motor vehicles involved in the plan in the manner specified in such plan.

(c) Pursuant to section 05(b), the Project Administrator shall not use alcohol which was produced or refined outside the United States or which is of petroluem or natural gas origin.

(d) The Project Administrator shall collect and transmit to the Secretary of Energy such research and other data as may be specified in the plan.

REPORTS TO CONGRESS

SEC. 07. (a) The Secretary of Energy, no later than sixty days after the end of each fiscal year, concluding with the fiscal year ending September 30, 1981, shall submit to Congress interim reports on the progress during each such fiscal year of the demonstration project provided for in this Act.

(b) The Secretary, no later than five years after the date of the enactment of this Title, shall submit a final report to Congress on the results of the research and demonstration project provided for in this Title and shall include in such report an analysis—

(1) of the research and other data collected under the project, particularly with respect to the environmental impact of substituting alcohol fuel for conventional fuel;

(2) of the projected impact on foreign energy consumption of increased use of alcohol fuel in motor vehicles;

(3) of the technological and economic feasibility of increased use of alcohol fuel in motor vehicles;

(4) of the desirability and feasibility of further research, development, and demonstration projects and implementation programs in this area, particularly with respect to expanding the use of alcohol fuels in motor vehicles; and

(5) of technological, economic, cultural, and political problems hindering commercialization of alcohol fuels ready for further use.

AUTHORIZATION OF APPROPRIATIONS

SEC. 08. For the fiscal years ending September 30, 1979, September 30, 1980, and September 30, 1981, there are authorized to be appropriated such sums, not to exceed in the aggregate for such three fiscal years, $3,000,000, as may be necessary to carry out the provisions of this Title.

WASHINGTON, D.C.
October 25, 1977.

DEAR COLLEAGUE: I would like to invite you to join me as an original sponsor of a bill to create a federal alcohol fuel test fleet to provide important information on the economic, technological, and environmental feasibility of utilizing alcohol fuels on a large scale.

Specifically, the bill would authorize the Secretary of Energy to establish an alcohol fuel test fleet of passenger vehicles from one of the government agencies. The agency selected would be responsible for collecting data on the alcohol-fueled vehicles. This would include an analysis of the environmental impact of substituting alcohol for gasoline, of the methods to store and pump alcohol fuel, and of the technological and political problems hindering commercialization of alcohol.

The program will involve no new purchases of vehicles and little in the way of additional vehicle maintenance costs. Ninety percent of the fleet will require no engine alterations to facilitate the use of alcohol blended gasoline. The remaining vehicles would require minor alterations and would provide much important data to assist industry in preparing for straight alcohol fuels. The test program would last for three years at a total cost of not more than $3 million. This would cover the purchase of alcohol fuel, storage facilities, testing equipment and the personnel required to operate the program.

Alcohol can provide a viable and desirable solution to our energy problems. It is less polluting than gasoline, higher in octane, renewable, and domestic. This year alone, we will spend $45 billion to import petroleum. If this money were spent instead on a domestic fuel source, the economic implications would be staggering.

A federal test fleet would provide data that would better enable policy-makers to prepare for the energy needs of this nation as the supply of petroleum dwindles. The cost would be minimal compared to the potential benefits to be derived.

I have attached a copy of my proposed bill for your consideration. If you have any questions concerning it, or wish to cosponsor, please feel free to contact me, or have your staff call Dave Carol (41460) or Chris Palmer (41462) of my staff.

Sincerely,

CHARLES H. PERCY,
U.S. Senator.

AMENDMENT NO. 1495

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

Mr. PERCY. Mr. President, I am submitting today an amendment to the energy tax bill which will repeal the deduction for State and local gasoline taxes. The Senate Finance Committee saw fit to remove this administration-backed repeal from the House-passed energy tax bill. However, because of our pressing need for energy conservation, I believe that it should be reinstated.

Repealing the deduction for State and local gasoline taxes is necessary for three reasons.

First, it will demonstrate to the American people our determination to take serious steps toward resolving our energy problem. It is illogical to tell the American people that energy must be priced at its proper value, while simultaneously providing them with a tax deduction which encourages gasoline consumption.

Second, the reduction in tax expenditure is not inconsequential. A report issued by the Joint Committee on Taxation estimates that the budget receipts from the repeal could reach $1.4 billion in 1985.

Third, this amendment eliminates an inequitable complication from the tax law. A taxpayer can claim this deduction only if he or she itemizes. Therefore the gas tax deduction tends only to be beneficial for upper income groups. The benefits from the deduction also increase as income increases.

Mr. President, because of these three reasons, I urge my colleagues to support the repeal of the deduction for State and local gas taxes.

I ask unanimous consent that the text of my amendment be printed in the RECORD.

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

AMENDMENT NO. 1495

At the appropriate place, insert the following new section:

SEC. REPEAL OF DEDUCTION FOR STATE AND LOCAL TAXES ON GASOLINE AND OTHER MOTOR FUELS.

(a) REPEAL.—Paragraph (5) of section 164 (a) (relating to deduction for taxes) is hereby repealed.

(b) CONFORMING AMENDMENTS.—

(1) The heading of paragraph (5) of sec-

tion 164(b) is amended by striking out "AND GASOLINE TAXES".

(2) The text of such paragraph (5) is amended by striking out "or of any tax on the sale of gasoline, diesel fuel, or other motor fuel".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect at the close of December 31, 1977.

AMENDMENT NO. 1496

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

Mr. PERCY. Mr. President, I am today submitting an amendment, that I still have under consideration, to the energy tax bill, H.R. 5263, to restore a so-called gas-guzzler tax. I introduce this on behalf of myself and the Senator from New York (Mr. JAVITS), and the Senator from Rhode Island (Mr. PELL). I ask unanimous consent that the text of the amendment, together with our Dear Colleague letter, be printed in the RECORD at this point.

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

AMENDMENT NO. 1496

At the appropriate place insert the following new sections:

SEC. . FUEL INEFFICIENCY TAX.

(a) General Rule.—Part I of subchapter A of chapter 32 (relating to motor vehicle excise taxes) is amended by adding at the end thereof the following new section:

"SEC. 4064. FUEL INEFFICIENCY TAX.

"(a) Passenger Automobiles.—There is hereby imposed on the sale by the manufacturer of each passenger automobile a tax determined in accordance with the following tables:

"(1) In the case of a 1979 model year passenger automobile:

"If the fuel economy of the model type in which the automobile falls is:	The tax is:
At least 16	0
At least 15 but less than 16	$200

"If the fuel economy of the model type in which the automobile falls is:	The tax is:
At least 14 but less than 15	400
At least 13 but less than 14	600
Less than 13	800

"(2) In the case of a 1980 model year passenger automobile:

"If the fuel economy of the model type in which the automobile falls is:	The tax is:
At least 18	0
At least 17 but less than 18	$200
At least 16 but less than 17	400

"(3) In the case of a 1981 model year passenger automobile:

"If the fuel economy of the model type in which the automobile falls is:	The tax is:
At least 20	0
At least 19 but less than 20	$200
At least 17 but less than 18	600

"(4) In the case of a 1982 model year passenger automobile:

"If the fuel economy of the model type in which the automobile falls is:	The tax is:
At least 22	0
At least 21 but less than 22	$200
At least 20 but less than 21	400
At least 19 but less than 20	600
At least 18 but less than 19	800

"(5) In the case of a 1983 model year passenger automobile:

"If the fuel economy of the model type in which the automobile falls is:	The tax is:
At least 25	0
At least 24 but less than 25	$200
At least 23 but less than 24	400
At least 22 but less than 23	600
At least 21 but less than 22	800
At least 20 but less than 21	1,000
At least 19 but less than 20	1,200

"(6) In the case of a 1984 model year passenger automobile:

"If the fuel economy of the model type in which the automobile falls is:	The tax is:
At least 26	0
At least 25 but less than 26	$200
At least 24 but less than 25	400
At least 23 but less than 24	600
At least 22 but less than 23	800
At least 21 but less than 22	1,000
At least 20 but less than 21	1,200

"(7) In the case of a 1985 or later model year passenger automobile:

"If the fuel economy of the model type in which the automobile falls is:	The tax is:
At least 27	0
At least 26 but less than 27	$200
At least 25 but less than 26	400
At least 24 but less than 25	600
At least 23 but less than 24	800
At least 22 but less than 23	1,000
At least 21 but less than 22	1,200

"(b) Non-passenger automobile.—

"(1) There is hereby imposed on the sale by the manufacturer of each non-passenger automobile a tax determined in accordance with the tables in paragraph (2) or prescribed under paragraph (3).

"(2) 1979 model year.—

"(A) In the case of a 1979 model year non-passenger automobile (other than a jeep-type vehicle):

"If the fuel economy of the model type in which the non-passenger automobile falls is:	The tax is:
At least 14.2	0
At least 13.2 but less than 14.2	$200
At least 12.2 but less than 13.2	400
At least 11.2 but less than 12.2	600
Less than 11.2	800

"(B) In the case of a 1979 model year non-passenger automobile which is a jeep-type vehicle:

"If the fuel economy of the model type in which the automobile falls is:	The tax is:
At least 12.8	$0
At least 11.8 but less than 12.8	$200
At least 10.8 but less than 11.8	$400
At least 9.8 but less than 10.8	$600
Less than 9.8	$800

"(3) 1980 through 1985 model years.—

"(A) Amount of tax.—With respect to model years 1980 through 1985, and except as provided in subparagraph (B), the tax imposed under paragraph (1) for each model year shall be equal to $200 multiplied by the number of miles per gallon by which the fuel economy of the model type in which the non-passenger automobile falls for that model year exceeds—

"(i) the average fuel economy standard for non-passenger automobiles for that model year, reduced by

"(ii) the difference between the average fuel economy standard for passenger automobiles for that model year and the highest fuel economy level at which a tax is imposed under subsection (a) for that model year.

"(B) Limitations.—

"(i) In general.—The amount of the tax determined under subparagraph (A) shall not exceed $1,200.

"(ii) No tax.—If no average fuel economy standards have been established by the Secretary of Transportation under section 502 of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 2002) for non-passenger automobiles any model year, the amount of the tax under subparagraph (A) shall be 0.

"(C) Tables.—The Secretary shall prescribe tables for each model year which show the amount of tax determined under subparagraph (A) for that year. Such tables shall be in the same general form as the tables prescribed in paragraph (2) and shall be made public prior to the beginning of the model year to which it relates.

"(c) Definitions and Special Rules.—For purposes of this section—

"(1) Automobile, etc.—The terms 'automobile', 'passenger automobile', 'fuel economy', 'model type', 'average fuel economy standard' and 'model year' shall have the same meanings given such terms under section 501 of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 2001).

"(2) Manufacturer.—The term 'manufacturer' includes a producer or importer.

"(3) Non-passenger automobile.—The term 'non-passenger automobile' has the same meaning given such term by the Secretary of Transportation under section 502 of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 2002).

"(4) Jeep-type vehicle.—The term 'jeep-type vehicle' has the same meaning given such term by the Secretary of Transportation under section 502 of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 2002).".

(b) Study.—

(1) In general.—The Secretary shall, in consultation with the Secretary of Transportation, the Secretary of Energy, and the heads of such other agencies as he deems appropriate, undertake a study and submit recommendations (including recommendations for legislative action) to the President and the Congress respecting the need for exemptions from the fuel inefficiency tax or other forms of relief for certain categories of automobile users. Such study shall include, but not be limited to, an analysis of, and recommendations respecting—

(A) the extent of the burden imposed by the fuel inefficiency tax upon certain categories of automobile users including, but not limited to, handicapped persons, persons with more than four dependents, and persons who regularly use automobiles for transporting property or carrying cargo for business purposes,

(B) the need for exemption from the tax or for other forms of relief,

(C) specific measures necessary and appropriate for carrying out an exemption or providing relief, and

(D) the effect such exemptions are likely to have on the energy conserving effects of the fuel inefficiency tax.

(2) Submission.—The recommendations developed by the Secretary under paragraph (1) shall be submitted to the President and the Congress no later than six months after the date of enactment of this section.

(c) Reduction in Basis of Automobile on Which Fuel Inefficiency Tax Was Imposed.—Section 1016 (relating to adjustments to basis) is amended by redesignating subsection (c) as subsection (d) and by inserting after subsection (b) the following new subsection:

"(c) Reduction in Basis of Automobile on Which Fuel Inefficiency Tax was Imposed.—If—

"(1) the taxpayer acquires any automobile with respect to which a tax was imposed by section 4064, and

"(2) the use of such automobile by the taxpayer begins not more than 1 year after the date of the first sale for ultimate use of such automobile,

the basis of such automobile shall be reduced by the amount of the tax imposed by section 4064 with respect to such automobile. In the case of importation, if the date of entry or withdrawal from warehouse for consumption is later than the date of the first sale for ultimate use, such later date shall be substituted for the date of such first sale in the preceding sentence."

(d) DENIAL OF CERTAIN EXEMPTIONS AND REFUNDS.—

(1) TAX-FREE SALES.—Subsection (a) of section 4221 (relating to certain tax-free sales) is amended by adding at the end thereof the following new sentence: "Paragraphs (4) and (5) shall not apply to the tax imposed by section 4064."

(2) UNITED STATES AND POSSESSIONS.—Section 4293 (relating to exemption for United States and possessions) is amended by inserting "(other than section 4064)" after "chapters 31 and 32".

(3) DENIAL OF REFUNDS FOR CERTAIN USES.—Paragraph (2) of section 6416(b) (relating to tax payments considered overpayments in the case of specified uses and resales) is amended by adding at the end thereof the following new sentence:

"Subparagraphs (C) and (D) shall not apply in the case of any tax paid under section 4064."

(e) PAYMENT OF TAX IN CASE OF LEASED AUTOMOBILES.—Section 4217 (relating to leases) is amended by adding at the end thereof the following new subsection:

"(e) LEASES OF AUTOMOBILES SUBJECT TO FUEL INEFFICIENCY TAX.—

"(1) IN GENERAL.—In the case of the lease of an automobile the sale of which by the manufacturer would be taxable under section 4064, the foregoing provisions of this section shall not apply, but, for purposes of this chapter—

"(A) the first lease of such automobile by the manufacturer shall be considered to be a sale, and

"(B) any lease of such automobile by the manufacturer after the first lease of such automobile shall not be considered to be a sale.

"(2) PAYMENT OF TAX.—In the case of a lease described in paragraph (1)(A)—

"(A) there shall be paid by the manufacturer on each lease payment that portion of the total fuel inefficiency tax which bears the same ratio to such total fuel inefficiency tax as such payment bears to the total amount to be paid under such lease,

"(B) if such lease is canceled, or the automobile is sold or otherwise disposed of, before the total fuel inefficiency tax is payable, there shall be paid by the manufacturer on such cancellation, sale, or disposition the difference between the tax imposed under subparagraph (A) on the lease payments and the total fuel inefficiency tax, and

"(C) if the automobile is sold or otherwise disposed of after the total fuel inefficiency tax is payable, no tax shall be imposed under section 4064 on such sale or disposition.

"(3) DEFINITIONS.—For purposes of this subsection—

"(A) MANUFACTURER.—The term 'manufacturer' includes a producer or importer.

"(B) TOTAL FUEL INEFFICIENCY TAX.—The term 'total fuel inefficiency tax' means the tax imposed by section 4064, computed at the rate in effect on the date of the first lease."

(f) CLERICAL AMENDMENT.—The table of sections for part I of subchapter A of chapter 32 is amended by adding at the end thereof the following new item:

"Sec. 4064. Fuel inefficiency tax."

(g) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to 1979 and later model year automobiles (as defined in section 4064(c) of the Internal Revenue Code of 1954).

SEC. . DISCLOSURE IN LABELING.

(a) Disclosure.—Section 506(a)(1) of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 2006(a)(1)) is amended by striking out "and" at the end of subparagraph (B), by redesignating subparagraph (C) as subparagraph (D), and by inserting after subparagraph (B) the following new subparagraph:

"(C) containing in the case of any automobile the sale of which is subject to the tax imposed by section 4064 of the Internal Revenue Code of 1954, a statement indicating the amount of such tax, and".

(b) Time and Manner of Disclosure.—Section 506(a)(3) of such Act (15 U.S.C. 2006(a)(3)) is amended by inserting after the first sentence thereof the following new sentence: "The time and manner by which the statement referred to in paragraph (1)(C) must be included on any label may be prescribed so as to take into account any special circumstances or characteristics."

SEC. . DISCLOSURE IN ADVERTISING.

(a) Disclosure.—The Federal Trade Commission shall prescribe rules requiring disclosure of any tax imposed by section 4064 of the Internal Revenue Code of 1954 with respect to any automobile advertised in any television broadcast or advertisement in writing which states the price or fuel economy of an automobile or which advertises an identifiable model type of automobile. In prescribing any such rule, the Federal Trade Commission shall take into account any special circumstances or characteristics.

(b) Enforcement.—A violation of a rule under subsection (a) shall be deemed an unfair or deceptive act of practice in or affecting commerce, for purposes of the Federal Trade Commission Act.

(c) Rule of Construction.—Nothing in this section shall be construed as restricting any authority of the Commission under any other law.

U.S. SENATE,
Washington, D.C., October 14, 1977.

DEAR COLLEAGUE: I am considering offering an amendment to the energy tax bill to levy a tax on fuel inefficient automobiles. Your critical review of this proposal would be greatly appreciated.

A tax on the least efficient new cars in the American fleet would be an important and continuing signal to the American public that the Congress is serious about curbing wasteful U.S. energy habits. Such a tax, in plain sight on a new car sticker, would bring home to the American people the fact that low mileage cars are no longer in the national or in their own personal interest.

In the last few years we have moved farther away from energy self-sufficiency. Our country is far more dependent on oil imports than it was at the time of the 1973 Arab oil embargo. Our oil import bill is now $45 billion a year, and skyrocketing. The need to curb this dangerous vulnerability through more efficient energy use has never been more urgent.

Both the fleetwide fuel economy standards for new cars (27.5 mpg by 1985) mandated by the Energy Policy and Conservation Act (EPCA), and the minimum mileage standards the Senate recently passed are directed toward auto manufacturers rather than consumers. Thus, a mismatch may occur between the cars that are required to be produced under EPCA during the next eight years and the cars that consumers choose to buy. However, a gas guzzler tax would directly affect the automobile consumer. A tax on inefficient vehicles, clearly identified as such, would provide a strong economic incentive for consumers to demand more efficient cars and a disincentive to purchase less efficient ones. It would assure that the fuel economy goals already mandated by law will be met, or even exceeded.

Some people have argued that minimum mileage standards already adopted by the Senate obviate the need for a gas guzzler tax. I strongly disagree with this view. In fact, the two concepts are highly complementary—minimum efficiency levels below which *no car* can be produced, and disincentive taxes on remaining cars which *still do not meet* fuel economy targets. The President still strongly supports a gas guzzler tax even though the Senate has passed these minimum standards.

I support minimum mileage standards, but such standards would only ban those cars so grossly inefficient that under EPCA, very few would have been produced anyway. A combination of minimum standards and a strong fuel economy tax will give the Senate the strongest possible position on auto fuel economy in conference with the House.

Some people naturally worry that a gas guzzler tax will discriminate against large families who need large cars. But there is no reason why a full-sized passenger car should not be fuel efficient. Nevertheless, my amendment provides that vehicles falling only a few miles per gallon short of EPCA fleetwide standards be exempt from the fuel inefficiency tax in order to make certain that large families will not be penalized.

In sum, my proposed amendment would contain the following features:

A tax on passenger automobiles with mpg levels above the minimum standards adopted by the Senate and below the fleetwide standards set by the Department of Transportation.

Removal of the exemption in the House bill for pickup trucks and establishment of a graduated tax on non-passenger automobiles (small trucks, vans and jeeps) falling below fuel economy standards.

Full disclosure in labeling and advertising of the amount of fuel inefficiency tax imposed on a given model of automobile.

According to DOE estimates, these provisions would save over 160,000 barrels of oil per day by 1985 if existing sanctions are insufficient to assure compliance with EPCA. In addition, the revenue the tax would raise can be used either to stimulate further conservation or to replace state and federal revenues lost through decreased gasoline consumption.

The proposed amendment is described in detail in the attached tables. Table I gives the fuel inefficiency tax I am proposing for Senate action. Table II shows the gas guzzler tax which passed the House in H.R. 8444. Table III presents a side-by-side comparison of the different fuel economy proposals. In comparing my proposed tax with the House passed version, you will note that my tax schedule is much simpler.

This will make the impact of buying an inefficient car much more visible and easy to understand, and thus help to induce auto consumers to buy those vehicles which result in the greatest gas savings for the Nation.

I would appreciate your careful review of this proposal. My staff will call your staff for your reaction in the next few days. Please contact me should you have any questions, or have your staff contact Chris Palmer on 4-1462.

Sincerely,

CHARLES H. PERCY,
U.S. Senator.

TABLE I.—PROPOSED PERCY FUEL INEFFICIENCY TAX

Year	Minimum mileage standard	EPCA standard	Mpg level	Proposed tax
A. PASSENGER AUTOMOBILES				
1979	NA	19.0	At least:	
			19	0
			18	0
			17	0
			16	0
			15	$200
			14	400
			13	600
			Less than 13	800
1980	16	20.0	At least:	
			20	0
			19	0
			18	0
			17	200
			16	400
1981	17	22.0	At least:	
			22	0
			21	0
			20	0
			19	200
			18	400
			17	600
1982	18	24.0	At least:	
			24	0
			23	0
			22	0
			21	200
			20	400
			19	600
			18	800
1983	19	26.0	At least:	
			26	0
			25	0
			24	200
			23	400
			22	600
			21	800
			20	1,000
			19	1,200
1984	20	27.0	At least:	
			27	0
			26	0
			25	200
			24	400
			23	600
			22	800
			21	1,000
			20	1,200
1985	21	27.5	At least:	
			27.5	0
			27	0
			26	200
			25	400
			24	600
			23	800
			22	1,000
			21	1,200
B. NONPASSENGER AUTOMOBILES				
1979 [1]		17.2	At least:	
			17.2	0
			16.2	0
			15.2	0
			14.2	0
			13.2	200
			12.2	400
			11.2	600
			Less than 11.2	800
1979 [2]		15.8	At least:	
			15.8	0
			14.8	0
			13.8	0
			12.8	0
			11.8	200
			10.8	400
			9.8	600
			Less than 9.8	800

[1] Light-duty trucks and vans.

[2] Jeep-type vehicles with 4-wheel drive.

TABLE II.—HOUSE-PASSED INEFFICIENCY TAX, H.R. 8444

Year	EPCA standard	Miles per gallon level	Tax
1979	19	At least:	
		15	0
		14	$339
		13	438
		Less than 13	553
1980	20	At least:	
		17	0
		16	249
		15	333
		14	428
		13	538
		Less than 13	666
1981	22	At least:	
		18.5	0
		17.5	245
		16.5	341
		15.5	458
		14.5	597
		13.5	764
		12.5	968
		Less than 12.5	1,216
1982	24	At least:	
		20	0
		19	266
		18	369
		17	491
		16	636
		15	809
		14	1,015
		13	1,264
		Less than 13	1,565
1983	26	At least:	
		20.5	0
		19.5	345
		18.5	459
		17.5	593
		16.5	751
		15.5	938
		14.5	1,161
		13.5	1,427
		12.5	1,747
		Less than 12.5	2,134
1984	27	At least:	
		22	0
		21	371
		20	490
		19	631
		18	797
		17	990
		16	1,218
		15	1,486
		14	1,804
		13	2,183
		Less than 13	2,638
1985	27.5	At least:	
		23.5	0
		22.5	397
		21.5	524
		20.5	671
		19.5	843
		18.5	1,043
		17.5	1,276
		16.5	1,550
		15.5	1,868
		14.5	2,244
		13.5	2,688
		12.5	3,219
		Less than 12.5	3,856

TABLE III.—COMPARATIVE ANALYSIS OF AUTO FUEL ECONOMY PROPOSALS

Year	Official EPCA standard	Minimum mileage standard	Fuel economy level below which tax begins: House (H.R. 8444)	Fuel economy level below which tax begins: Percy proposal
1978	18.0	NA	NA	NA
1979	19.0	NA	15.0	16
1980	20.0	16	17.0	18
1981	22.0	17	18.5	20
1982	24.0	18	20.0	22
1983	26.0	19	20.5	25
1984	27.0	20	22.0	26
1985	27.5	21	23.5	27

AMENDMENTS NOS. 1497 THROUGH 1500

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

Mr. BELLMON (for himself and Mr. BARTLETT) submitted four amendments intended to be proposed by them to the bill (H.R. 5263), supra.

AMENDMENTS NOS. 1501 AND 1502

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

Mr. BELLMON (for himself, Mr. HANSEN, and Mr. BARTLETT) submitted two amendments intended to be proposed by them to the bill (H.R. 5263), supra.

AMENDMENT NO. 1503

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

Mr. HELMS submitted an amendment intended to be proposed by him to the bill (H.R. 5263), supra.

AMENDMENT NO. 1504

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

Mr. LUGAR submitted an amendment

intended to be proposed by him to the bill (H.R. 5263), supra.

AMENDMENT NO. 1505

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

Mr. METZENBAUM (for himself, Mr. JACKSON, Mr. KENNEDY, Mr. BAYH, Mr. BUMPERS, Mr. HART, Mr. FORD, Mr. DURKIN, Mr. PERCY, Mr. BROOKE, and Mr. HEINZ) submitted an amendment intended to be proposed by them to the bill (H.R. 5263), supra.

NOTICES OF HEARINGS

COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Tuesday, November 1, 1977, at 9:30 a.m., in room 2228 Dirksen Senate Office Building, on the following nomination:

Elsijane Trimble Roy, of Arkansas, to be U.S. district judge for the eastern and western districts of Arkansas vice Oren Harris, retired.

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.

This hearing will be before the full Judiciary Committee.

FREIGHT RATE COMPETITION IN THE MOTOR CARRIER INDUSTRY

Mr. KENNEDY. Mr. President, the Subcommittee on Antitrust and Monopoly will conduct hearings on Thursday, October 27 and Friday, October 28, at 9:30 a.m. in room 1224 of the Dirksen Senate Office Building. The hearings will examine the issue of price competition in the motor carrier industry, the practices and procedures of motor carrier rate conferences, and the regulation of pricing by the Interstate Commerce Commission.

Witnesses include the following:

Thursday, October 27:

Hon. John Shenefield, Assistant Attorney General, Antitrust Division, Department of Justice.

Mr. George Wilson, Economist, University of Indiana.

Panel of Motor Common Carriers.

Friday, October 28:

Hon. A. Daniel O'Neal, Chairman, Interstate Commerce Commission.

Panel of Shippers:

Mr. Robert L. Merchant, Commissioner, Department of Public Carriers, Agency of Transportation, Montpelier, Vermont.

American Conservative Union, Consumer Federation of America.

NOMINATIONS

Mr. WILLIAMS. Mr. President, I wish to announce that the Committee on Human Resources has scheduled a hearing on Wednesday, October 26, 1977, at 10:30 a.m. in room 4232 Dirksen Senate Office Building, on the nominations of:

John Harold Fanning, of Rhode Island, to be a member of the National Labor Relations Board;

Gerald L. Klerman, of Massachusetts, to be Administrator of the Alcohol, Drug Abuse, and Mental Health Administration.

SUBCOMMITTEE ON LABOR

Mr. WILLIAMS. Mr. President, I wish to announce that the Labor Subcommittee of the Committee on Human Resources will hold hearings on S. 1883 and S. 1855, bills to amend the National Labor Relations Act, on Monday, October 31, Thursday, November 3, and Friday, November 4, 1977. The hearings will begin at 9:30 a.m. and will be held in room 4232 of the Dirksen Senate Office Building.

SUBCOMMITTEE ON THE CONSTITUTION

Mr. BAYH. Mr. President, I wish to announce at this time that the Subcommittee on the Constitution of the Committee on the Judiciary will hold hearings on the Civil Rights Commission Act of 1978, to extend the Commission for 5 years, to authorize appropriations for the Commission, and for other purposes. I plan to introduce a bill to provide for these purposes this week. The hearings will be held in the judiciary hearing room, 2228 Dirksen Office Building, at 9 a.m. on November 1 and 2, 1977, and in January of 1978. All persons desiring to testify or submit statements should call or write Nels Ackerson or Ben Dixon of the subcommittee staff, 102-B Russell Office Building—202-224-8191.

ADDITIONAL STATEMENTS

SALT NEGOTIATIONS

Mr. HAYAKAWA. Mr. President, as we all know, the United States is currently enmeshed in ongoing SALT negotiations with the Soviet Union. Frankly, I am alarmed by some newspaper accounts regarding these negotiations. It seems that the goals expressed earlier by the Carter administration for SALT II have gone down the drain. Every time I pick up the paper it appears that the United States has made another consession.

When President Carter announced his decision to cancel the B-1 bomber, I think the United States threw away our No. 1 bargaining chip at the SALT table. With the B-1 in our inventory, we could afford to make some concessions regarding cruise missile range, but without it we are experiencing many difficulties in reaching an agreement that will insure U.S. national security and deterrent strength during the next 10 years. And that, after all, is the reason for negotiating in the first place. But the cruise missile limitations under discussion would prevent the air-launched cruise missile from reaching key targets in the Soviet Union without the help of penetrating bombers.

B-1 opponents argue that cruise missile range can be revised later in the SALT negotiations. Honestly now, can any of us be so naive as to believe that the Soviet Union will agree to letting us increase our cruise missile range to offset its advances in air defenses? The Soviets are known to be tough negotiators and I doubt that they would cooperate in undermining their own strategic forces, especially when we are fast running out of neogtiating leverage. We lost this leverage when we lost the B-1.

At this time I would like to submit for the RECORD, a relevant excerpt from a speech that Senator BOB DOLE gave before the Georgia Jaycee Mock Legislature on October 22, 1977. I think his remarks succinctly tell us where our SALT negotiations are leading us. I ask unanimous consent that his remarks may be printed in the RECORD.

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

REMARKS OF SENATOR BOB DOLE

Now let me turn to a specific area of vast national and world significance—foreign policy generally and S.A.L.T. in particular.

The Carter Administration has provided the nation with new foreign and defense policies. The American people have hardly been able to keep up with these new departures, tumbling from the White House one after the other: withdrawal from Korea, downgrading of Taiwan, recognition of Cuba and Vietnam, the President's U.S. Ambassador warmly praising the victorious struggle of North Vietnam and the President's Action Director attending the North Vietnamese victory celebration, bringing the Soviets back into the Middle East with a joint declaration, cancelling the B-1, and of course, the Panama Canal Treaty.

The popular outcry has been loudest on the Canal Treaty, perhaps because the people see it against this background of withdrawal and apology.

CARTER ADMINISTRATION AND S.A.L.T.

But the most important of all the Carter Administration national security departures has yet to receive wide notice. So as I indicated, I would like to talk with you briefly about S.A.L.T., the negotiations the Carter Administration have been conducting with the Russians.

It is a paradox that this most important of all national security issues for the American people seems the most elusive and complicated in detail. To master its complexity requires the learning of a new language of MIRVs and MARVs, of ALCMs and SLCM, MLBMs, SSNX-18S and SNDVS. But once mastered, this language reveals SALT to be like all policy matters, amenable to applied common sense. Let us review the simple issues of SALT, stripped of jargon and ask some common sense questions.

The first important question must be: What is it we seek to achieve through SALT negotiations? The answer can only be to achieve increased security of the United States and its allies. The answer to this question will be the sole criterion by which we in the U.S. Senate must judge the coming SALT treaty.

By which issues do we judge the fairness and balance of the treaty limitations to find whether it increases or decreases our security?

FOUR CRITERIA

Fred Ikle, recent Director the Arms Control Agency has suggested the four criteria by which we should measure that success or failure in a SALT treaty.

First, a SALT treaty ought to strengthen deterrence. Deterrence simply means dissuading the Soviets from attacking us or our allies by persuading them that the consequences to them of attacking us are worse than anything they could gain by doing so. SALT should strengthen that dissuasion.

Second, SALT must secure and even balance—real self-evident equality or parity.

Third, SALT should achieve some reduction in nuclear arsenals and ease the burden on taxpayers.

Fourth, the treaty must be strictly enforceable and verifiable without having to place blind trust in the Russians.

Now let us turn to what actual limitations seem near to agreement. The Senate as a whole has not been briefed, so for details on what has now been agreed we must rely on recent news articles quoting "informed sources." To compare where we started from, we have the March proposal made public by the President himself:

Ceiling on strategic launch vehicles, ICBMs, sub-launched SLBMs, and long-range bombers:

Carter proposed in March a ceiling of 1,800;

The Russians insisted on 2,250; and

Reported "compromise" 2,250.

Ceiling on multiple warhead vehicles;

Carter proposed in March a ceiling of 1,100;

The Russians insisted on 1,320; and

Reported "compromise" 1,320.

Ceiling on land-based ICBMs:

Carter proposed in March a ceiling of 550;

The Russians insisted on 850; and

Reported "compromise" 850.

Limits on Soviet heavy missiles—six times the payload of the U.S. Minuteman:

Carter proposed in March [U.S.—0] [Soviets—150];

The Russians insisted on 308; and

Reported "compromise" [U.S.—0] [Soviets—308].

Limits on Soviet backfire long-range supersonic bomber:

Carter proposed in March strict numerical limits on backfire;

The Russians insisted there be no limits other than assurances they would not use it against the U.S.; and

Reported "compromise": no limits other than assurances.

Limits on U.S. sea-launched and ground-launch Cruise missiles:

Carter proposed in March there be no limits on U.S. medium range (up to 2500 km) cruise missiles;

The Russians insisted all SLCMs and GLCMs be limited to 600 km range (320 miles);

Reported "compromise": all SLCMs and GLCMs limited to 600 km range.

If the facts of this new agreement as reported in Newsweek and elsewhere are true, then doing some simple arithmetic on my tablecloth, we find that this treaty would leave us with the following balance sheet by 1985:

UNITED STATES

ICBM payload, 2.5 million lbs.

ICBM warheads, 1,650.

Long-range bombers, 120 B-52s.

SOVIET

ICBM payload, 9 million lbs.

ICBM warheads, 6,000.

Long-range bombers, unlimited backfires (about 500 by 1985).

MEASURE UP

Returning to the four issues of former Arms Control Director Ikle, how do these terms measure up?

First; deterrence: it is hard to see how such a record of U.S. concessions resulting in such lop-sided numbers could strengthen Soviet fear of U.S. counterattack. It would seem to me deterrence would be weakened, not strengthened.

Second, even balance: the imbalance would seem to be staggering.

Third, reductions: there are indeed U.S. reductions, but net Soviet increases.

Fourth, enforceable and verifiable: it is agreed in the intelligence community that a 600 km limit on cruise missiles is not verifiable, but other enforcement arrangements seems so far to have been a subject deferred by the Administration.

It is difficult to believe that any President could be so ill-advised as to conclude such a treaty as described above. Let us hope these many authoritative news stories are wrong.

A treaty cannot be achieved except by limitations unequal and unfair to the U.S., or by terms unenforceable and built only on Soviet assurances of good intentions, then the answers to our opening question is an obvious No. U.S. security will not be enhanced by ratifying such a treaty, and a bipartisan majority of the Senate will reject it without hesitation.

Let us hope that these events do not occur. All of us would prefer to curb arms competition and reduce the risk of war, but none of us will do so at the risk of future U.S. security. It is the responsibility of all of us to make special efforts to inform ourselves in these difficult matters. The advice of the people, and the judgment of the Senate must be based on a reasoned understanding of strategic issues.

U.S. ARMS SALES SHOULD BE SEVERELY LIMITED

Mr. PROXMIRE. Mr. President, at an appropriate time, I will introduce legislation to limit severely the total U.S. annual arms sales by applying a declining ceiling for 3 years. From a total of $9.9 billion in fiscal year 1977, arms sales should be reduced to $8 billion in fiscal year 1978, $6 billion in fiscal year 1979, and not higher than $4 billion from fiscal year 1980 on.

Arms sales looming on the horizon strongly suggest that the administration will be hard pressed to meet its goal of a reduction from fiscal year 1977 totals. The delayed $1.4 billion AWAC's sale, the F-16's to Iran and the possible F-15's to Saudi Arabia would make it nearly impossible to reduce below the prior-year totals.

Congress can help the administration achieve its goals by mandating a declining ceiling for the next 3 years. Then the administration can point to Congress as the culprit in negotiations with other nations seeking military hardware. It will also force the Pentagon and State Department to make some hard choices as to which countries really need U.S. weapons for self-defense.

While I personally believe the most arms sales should be cut to the bone immediately, a 3-year $2 billion annual reduction in the ceiling would allow for a gradual phaseout of U.S. commitments and a minimal effect on U.S. corporations.

A long-term constant total of $4 billion is more than enough to satisfy the defense requirements of our NATO allies and those certain situations where the United States has longstanding treaty or moral obligations. After all, in the early 1970's U.S. arms sales were below $4 billion annually.

If an emergency arose where the United States was obliged to sell more military goods overseas for a substantial national security purpose of our own, Congress could always modify its arms sales budget just as it does with its Federal Government budget.

The ceiling-budget approach has several distinct advantages over the hit-and-miss arms sales policy now in effect. It would allow for long-term planning of security needs overseas. Crash programs would be avoided. U.S. corporations depending on overseas military sales would have time to reassess their business and move into other areas of production.

But the greatest value in such a declining ceiling is that it would contribute to stability in unstable regions and establish an open U.S. policy of denying rather than pushing arms.

Arms have many uses in addition to self-defense. U.S. weaponry has been used for domestic repression, palace coups, and aggression against neighbors. There are several documented cases of neighboring nations fighting each other with U.S.-supplied equipment—India and Pakistan being the classic example.

The United States is the biggest arms merchant in the world today—supplying more than half of the world's military sales, grants, and loans. If we do not show restraint, there can be no limitation in the conventional arms race of the developing nations.

THE RESPONSIBILITY OF THE SENATE: RATIFICATION NOW

Mr. PROXMIRE. Mr. President, we live in a complex world with many ideologies and values. It is imperative that the United States balance these diverse beliefs with the values of our own national policy when acting as an influential power in international policy-making. Under our Constitution, the president is responsible for that balance and for advising and counseling the appropriate executive departments and the Congress on matters of international scope.

Since 1948, every President to sit in the Oval Office has strongly supported ratification of the Genocide Treaty. Each has judged this treaty in a favorable light Each has urged the Senate to ratify this treaty. And each has been disappointed because, to date, the Senate has not done so.

Yes, Mr. President, for nearly three decades we in the Senate have failed to ratify the very basic Human Rights Convention on Genocide. By not using the power granted us by the Constitution in a responsible manner, we are jeopardizing the concept of the United States as a leader in the area of human rights. It is basic to our concept as a Nation and as a part of the world body to ratify this Convention. I urge the Senate to do so without delay.

THE WALL STREET JOURNAL: "THE BARGE INDUSTRY'S FREE RIDE COMING TO AN END?"

Mr. STAFFORD. Mr. President, yesterday, at a time when the Senate was not in session, the Wall Street Journal carried an article analyzing the issue of waterway user charges, which we must once again confront in the next several days when we debate H.R. 8309.

While the article is an interesting and informative one, it lacks one significant point. It fails entirely to mention the pivotal role in the development of the user charge issued, played by our colleague from New Mexico (Mr. DOMENICI). I believe it is fair to say that the Congress would never have taken on this

important national policy issue except for the perserverence and effective work of Senator DOMENICI.

Mr. President, to assure that my colleagues have the opportunity to study this article, I ask unanimous consent that it be printed in the RECORD.

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

[From the Wall Street Journal, Oct. 24, 1977]

BARGE INDUSTRY'S FREE RIDE COMING TO AN END?

(By Albert R. Karr)

WASHINGTON.—Back in 1847, President James K. Polk vetoed a rivers and harbors bill, saying that use of general taxes to pay for the projects wasn't justified because the entire U.S. populace wouldn't benefit.

But a young Congressman from waterways-minded Illinois named Abraham Lincoln led a legislative override of the veto.

That event signaled what was to be a long history of generous federal policy toward inland waterways. In passing the Northwest Ordinance of 1787, the Continental Congress had said navigable waters "shall be common highways and forever free," with no special tax or toll imposed. Over the years, Congress has always insisted that the government should improve, operate and maintain those 25,000 miles of channels on behalf of barge commerce without assessing the users.

Presidents have often tried to balk at this largesse. As federal spending to improve the inland-waterway system has mounted in recent decades, eight successive presidents—Franklin Roosevelt through Jimmy Carter—have advocated levying federal fees on the barge lines, so they'd pay for at least part of the taxpayer investment in their watery rights of way. But largely due to opposition from barge operators and their friends in Congress, proposals to impose charges on the users consistently ran aground.

Now, all that is suddenly changing. Stirred by a growing national awareness of the profitable, fast-growing barge industry's free ride, the rapid rise in government spending on waterways and increased concern over federally aided barge competition for the less-subsidized railroads, Congress is on the verge of enacting the first waterway user charges in the nation's history.

In June the Senate approved a bill to require barge lines to reimburse the government for all of the Corps of Engineers' expenses for operating and maintaining inland waterways, and half of the corps' construction costs for new navigation projects; this could mean users would pay $300 million or more each year. This month the House passed a much more modest measure that would levy a six-cent-a-gallon fuel tax on barge lines, meeting only a tenth of the corps' costs.

The Senate and House must still compromise their differences, but this significant change in transportation policy is now assured. Some strong efforts were responsible.

President Carter gave the user-charge plan the biggest push yet. He was the first President to say he'd veto any rivers and harbors bill which didn't include user fees. He held that veto threat over a measure, dearly desired by waterways people, to authorize construction of replacement locks and dam on the Mississippi River at Alton, Ill. That project, called "Locks and Dam 26," has become a symbolic battleground for the whole struggle over whether new waterways projects are necessary and whether barge lines should help pay.

Meantime, the opposition retreated. Although barge operators had long opposed any user fee, they backed the House bill. "We knew the handwriting was on the wall," says a House transport expert who's sympathetic to the barge lines.

Actually, pressure for user fees has been building for a long time. During the last 15 years various study commissions have backed such charges. Former Transportation Secretary William Coleman's 1975 transport policy document urged them. So did the U.S. Railway Association, a government corporation which planned the reorganization of bankrupt Northeast railroads.

Railroads argue that they lose about $500 million in annual revenues because they have to charge depressed rates on some commodities to keep freight from being diverted to barge lines—and they actually lose some business to the barges besides. It's true waterway operators often have an inherent low-cost advantage over railroads, but this advantage is compounded by the fact that barges have their rights-of-way built and maintained for free; railroads have to lay their own track, repair it and pay taxes on their lines, user-charge advocates note.

"It is simply not equitable that profit-making businesses should have much of their costs met by the American taxpayer," says Transportation Secretary Brock Adams.

The government also puts considerable investment into highways and airways, but collects taxes and fees from the truckers and airlines that use them. Indeed, Washington has generally been willing to grant transportation subsidies without imposing user fees only when the beneficiaries can't pay and when there's a clear social purpose for a subsidy.

Lately, that reasoning has been applied to financially strapped railroads, notably Northeastern lines and some Midwestern roads. At other times, of course, healthy railroads have received various kinds of government aid. And the waterways people, seeking to fend off user fees, have made much of federal assistance to railroads over the decades. But the rail industry argues, with considerable accuracy, that most of this aid—land grants in the 1850s and other succor—has been sporadic or has involved compensation to the government by the recipient railroads.

The fees to be paid by the barge lines will ease the railroads' financial burdens and their need for future federal support, the backers of this historic change conclude. And they foresee little damage to the balance sheets of barge lines or their customers.

Two years ago, the National Water Ways Conference, a broad-based waterways-interest group, told the Senate Public Works Committee that "the freedom (from taxes) of the waterways of the territory was assured (by the 1787 Northeast Ordinance) with the same solemnity as the freedom of its inhabitants from involuntary servitude and their rights to trial by jury."

Those other two rights remain, but the barge lines' free ride is ending.

LOTTE JACOBI: DEAN OF PORTRAIT PHOTOGRAPERS

Mr. McINTYRE. Mr. President, I am pleased today to share with my colleagues an article that recently appeared in the Boston Sunday Globe on the occasion of the 81st birthday of one of New Hampshire's most remarkable citizens, Lotte Jacobi.

Lotte Jacobi has justly been called the "dean of portrait photographers." Born in Prussia, she emigrated to this country from Berlin in 1935 when the growing terror of Naziism made it impossible for her to continue her work. In the past half century she has captured the likenesses of hundreds of the celebrated men and women of our time—Albert Einstein, Peter Lorre, Eleanor Roosevelt, Robert Frost and, more recently Jimmy Carter—individuals whose faces are all the more familiar to us because of the impact of her work.

Yet, as remarkable as any of her portraits has been the vigor and courageous vision with which she has pursued her life and work. At an age when less gifted or lively persons would be content to reflect back on such a record of achievement, Lotte Jacobi forges on: Developing new photographic projects and exhibitions, helping her fellow artists, tending her garden and beehives, and working diligently in local and national politics.

It is thus with pride and pleasure that I ask unanimous consent to print the full text of this article in the RECORD.

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

LOTTE JACOBI, CAMERA ARTIST

(By Ann Parson)

Lotte Jacobi is often called the "dean of portrait photographers," an apt yet limiting title in respect to her full life. She was born in West Prussia 81 years ago. Today she lives in Deering, her roost among the southern New Hampshire hills for more than 20 years—Prussia to Deering being an unusual traverse. In fact, the odds of a European settling amid Deering's population of 836 are minute, as minute, perhaps, as the odds against Lotte Jacobi having become a dedicated photographer.

Deering is lovely country-side so long as you know you are passing through it. Except for a slim border mark and a handsome clapboard town hall (whose old granite foundations Lotte Jacobi sought with others to retain), no indications of a town dot the main route.

After a good mile on Old Country Road, the "Jacobi" mailbox appears, then the low house which is set back. Its original structure once served as a winter hut for woodsmen. Small rooms have been added, including the wood-beamed studio entry which is filled with photographs, miscellaneous notices, and plants of all varieties. The studio's near windows facing south reveal a delightful clearing. Raspberry bushes, herb and vegetable gardens skirt a meadow crowded with bright wild mustard plants and snow white buckwheat. Also a beekeeper, Lotte Jacobi maintains two hives, at least 45,000 bees to a hive, she notes. The meadow's constant buzz keeps one well abreast.

Although an octogenarian, Lotte Jacobi's observations and abundant repartees outwit persons half her age.

(Commenting on Maine's Blue Hill Inn, she exclained, "It ain't what it used to be." I asked where she came up with her expressions. "I don't know," she replied. "I hear them used for things that "ain't necessarily so'.")

The morning I visited, Lotte Jacobi was attired in worn trousers and a T-shirt betokening a trip to Peru she took last spring with the Alumnae Association of the University of New Hampshire. (The university awarded her an honorary doctorate in 1974.) Her white hair frames an amiable long-nosed face with an often-raised brow. She seems tall despite her years, though she isn't especially.

Considering the length of her life, the breadth of her interests, an interview with Lotte Jacobi falls short. "I'd like to start at the beginning," I ventured. She studied me with hazel eyes and an impending smile. "*Ev-errryone* starts at the beginning," she enunciated in her strong German accent, unbroken after 40 years of US citizenship. Her English is deliberate and distinct. What's more, she will correct any "pictures" carelessly mispronounced as "pitchers."

Born in Thorn, Prussia, now Poland, Lotte Jacobi came from a noted family of photographers. Her great-grandfather, a glazier, went to Paris on a pleasure trip and took up photography directly from Louis Daguerre, who sold Jacobi a camera and license to photograph. Back in Thorn, he launched Jacobi Studio which subsequent generations kept flourishing. After attending the Bavarian State Academy of Photography and the University of Munich, Lotte Jacobi assumed responsibilities for the studio in 1927. By its fourth generation, the studio was located in Berlin.

During those early years, Lotte Jacobi traveled and photographed extensively. Her surviving portraits taken in the early '30s of Max Planck, Lil Dagover, Albert Einstein, Emil Jannings, Max Liebermann, Laszlo Maholy-Nagy, Henri Barbusse, the Russian dancer Schaluskaya, and other prominent figures are reminiscent of a unique European era that was near dissolution in the '30s.

By 1935, conditions forced Lotte Jacobi out of Germany to New York. "I wasn't allowed to photograph. I was not an Aryan." The Third Reich invented the myth of Aryan superiority, Aryans being what were considered the superior race versus the Jews. "They made Leni Riefenstahl (who was half-Jewish) an honorary Aryan." (Hitler appointed Riefenstahl director and producer of films for the Nazi party.) "They offered the same to me, but I declined."

Relatively few photographs remain from Lotte Jacobi's first 40 years of imagemaking since most of Jacobi Studio's archives, left behind in Berlin, disappeared.

Arriving in New York, Lotte Jacobi was one of many exiles welcomed by the press as "Hitler's gift to the USA." Friends and opportunities met her. Within two months she opened her first New York studio on the corner of 6th avenue and 57th street. She married her second husband in 1940, the German publisher Erich Reiss. Reiss died 11 years later.

During the next 20 years the studio assumed an active profile, changing addresses several times. In the early '50s Lotte Jacobi showed work by talented artists other than photographers. Leo Katz, the Czechoslovakia-born artist, educator and author; Louise Nevelson, George Salter, Ernest Guteman, Benjamin Benno, Gustav Wolf, Rudi Lesser, Howard Willard, Joseph Scharl and artists from Atelier 17 were among them. In 1955, Lotte Jacobi, her son and daughter-in-law opted for the simpler life and moved to Deering.

Seated in her Deering studio, she shakes her head. No, she does not miss New York. "I always wanted to be on a farm. It comes from my mother. I wanted to be a gardener, a beekeeper, all kinds of things."

During summers in the '60s, Lotte Jacobi's studio under the pines operated as a gallery and "brought art to the hinterlands," as The Globe once put it. Exhibitions by Minor White, Louis Nevelson, Leo Katz, and other artists, great and small, established a permanent path to the "Lotte Jacobi place," as it came to be called.

Camouflaged amid nature, Lotte Jacobi's interaction with people and human values has by no means diminished. Town meetings, horticultural societies, conservation committees, the New Hampshire Art Association, the state Democratic Party Platform Committee, senate hearings, the Democratic convention followed by President Carter's inauguration—Lotte Jacobi participates in local and national activities alike, with or without her camera. Democracy, she firmly believes, relies upon individual participation. "It isn't my country 'right or wrong;' it's my country 'right.' If it's wrong, I have to do all I can to make it right." The neutron bomb, in her book, is the worst possible wrong. "It's something I can't comprehend . . . It kills the people, and the buildings still stand."

Since the day Lotte Jacobi asked for her first camera—and her father suggested that she build herself a pin-hole model, which she did with his help—seeing has prevailed over her other senses. "I'm afraid my ear (for music) suffered for my eyes."

She does not consider herself a "real" photographer in the technically molded sense of an Ansel Adams or Harry Callahan, two precisionists. She is more interested in human nature than in photographic-making details. "I feel you have to study the techniques in photography as much as you can, but then you have to forget them—they have to be at your fingertips. When you take pictures, it does not help to think. If I do, I can't get one portrait where the people look like people."

The naturalism Lotte Jacobi elicits from her subjects is probably her greatest virtue as a portraitist. In front of her lens, well-known faces relax and cast their simple, private traits. "The person matters. Nothing else. I can't pose people for too long. I want them to be natural. I try to find out what they're interested in and ask questions."

She mentioned photographing Einstein, an acquaintance, at his home in Princeton, N.J. "I asked him to have some scientists around with whom he could talk, or work, or anything, so that he wouldn't have to look at me all the time." The resulting memorable portrait is Einstein, with frizzy hair and clad in a leather jacket, discretely absorbed, by the look of his hooded eyes, in something occurring across the room.

In recent decades Lotte Jacobi's camera has witnessed a great long line—Margaret Mead, Eleanor Roosevelt, Robert Frost, Marc Chagall, May Sarton, Pablo Casals, J. D. Salinger, Abraham Heschel, Scott Nearing, Paul Strand, Benjamin Britten, Marianne Moore, Christopher Morley, W. H. Auden, Jimmy Carter—actors, scientists, artists, politicians. However, the idea of fame annoys the photographer, famous ideas and character being something else. She does not approach her work with preconceptions nor does she attempt to make statements through it.

Once after an auction for refugees, she and Einstein were invited to Thomas Mann's house in Princeton. Lotte Jacobi took a portrait of Einstein and Mann seated together. Of the Mann brothers, Lotte Jacobi thought Heinrich the more gifted, Thomas's novels being insurmountable in German. She remembers meeting H. T. Lowe-Porter, a charming individual who translated Thomas Mann's work into English. "She made them more readable, more human . . . but Heinrich was the more interesting . . . 'The Blue Angel,' you know it? Heinrich lived his life and wrote when it pleased him. He was a human being."

Lotte Jacobi is hesitant to say which portraits most satisfy her—"How can you choose among your children?"—or which personalities stand out in her mind. Yet many Jacobi portraits click simply because the photographer and subject obviously are sharing a mutual respect for one another, as told by the sitter's expression.

To wit: one portrait of Alfred Stieglitz liberates the master many people considered intolerably difficult to a mild-mannered pediatrician. Having heard of Stieglitz in Europe, Lotte Jacobi came to know him at his New York gallery, "An American Place," and always found him likeable. "Many people didn't, but God knows what they asked him. Stieglitz's work is not reached by anyone yet. Now they start saying, 'Oh, everyone did that,' it's not true. He was the first. He devoted his life to making photography one of the arts, and after he's dead, he succeeds with it."

Lotte Jacobi's indefatigable concerns with human issues include sponsoring a move to honor Stieglitz—recognition of his 100th birthday being overdue—with a commemorative stamp. She urges likeminded supporters to send an appeal to Steven Dohanos/Chairman, Citizens Stamp Advisory Committee/US Postal Service/Washington, D.C. 20260.

Portraits by no means dominate Lotte Jacobi's photographic inclinations. If, the landscape is inviting, as it was in Peru, out comes her camera. Since settling in New Hampshire, she has produced intimate studies of nature at hand.

As for color photography, a development in Lotte Jacobi's lifetime, she feels she does not know it well enough. "And I like to know what I do . . . A photographer who wants to work in color must study it like a painter. Ninety percent of color photographs are merely black-and-white photographs with color." Nevertheless, Lotte Jacobi gets incited to work with color from time to time. "How can I resist New Hampshire in the fall?"

Some of her most intriguing work are her "photogenics"—abstract images made with pocket flashlight on photo-sensitive paper. She began them in the early '40's, influenced by a course she was taking from Leo Katz on cameraless photography. Katz evinces that if you depend too much on a camera, you never really learn how to see.

Katz points out that the word "photography" does not altogether correctly describe picturetaking with a camera since "photography" from the Greek denotes drawing with light. "Photography" actually describes the photogenic process.

The term "photogenics" came into use in 1770 when the German, Schutz, and some cohorts captured the silhouette of lace and other images with photosensitive liquids. Not capable of being "fixed," their image-making discovery, which they called a "photogenic experiment," was forgotten until, in the 1830's, Henry Fox Talbot imprinted objects semi-permanently on sensitized paper. He called them "photogenic drawings."

Lotte Jacobi's creations serve to reintroduce "photogenics." They have been described as "singularly magical images, unlike the light abstractions of any other photographer." Through fluid, illusionary designs, her photographs (in the literal sense) embody natural gestures, rhythms even, implicit in her portraits. "Photogenics Dancer," for instance, contains curving lines of light suggestive of the graceful, curving movement captured in the portrait of Claire Bauroff dancing.

Early this fall, Lotte Jacobi begins photographing across country. Last year the National Endowment for the Arts awarded her a grant enabling her to do a photographic series on photographers. She has some 100 faces in mind. She has begun already this summer by photographing Bernice Abbott, and Clarence H. White Jr. in Maine; Max Waldman, Grace Meyer, Alfred Kloke, in New York, Christopher Cook in Andover, Mass.

Lotte Jacobi's work has been widely exhibited here and abroad and is in permanent collections at MIT, the Metropolitan Museum of Art, the Jewett Arts Center at Wellesley College, the Museum of Modern Art, the Smithsonian National Portrait Gallery, the Currier Gallery of Art in Manchester, N.H., the Addison Gallery in Andover, German museums, and private collections.

Yet most likely Lotte Jacobi would have us believe that marks of success are largely inconsequential. For her, living is the important pleasure.

"I don't tinker, I play. I only live photography."

POSTPONEMENT OF SALE OF "EXCESS LANDS"

Mr. DOLE. Mr. President, last Wednesday the distinguished Senator from New Mexico (Mr. DOMENICI) and 17 cosponsors introduced Senate Joint Resolution 93, a joint resolution concerning the im-

plementation of provisions of the Reclamation Act of 1902, as amended.

Specifically, Senate Joint Resolution 93 resolves that there should be a 1-year moratorium on the termination of water deliveries from Federal reclamation projects due to the acreage limitations or residency requirement in the Reclamation Act. The resolution is also designed to postpone for a 1-year period any forced sale of so-called excess land now irrigated by Federal reclamation projects.

I take this opportunity to associate myself with this timely initiative, and I ask that my name be included in the bipartisan list of cosponsors.

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

Mr. DOLE. The purpose of Senate Joint Resolution 93 is to place a moratorium on proposed regulations announced by the Interior Department in August of this year. The regulations require the sale by lottery of private lands exceeding the acreage limitations of the act of 1902 which benefit from Bureau of Reclamation irrigation water.

The proposed rules would also require all future purchasers of "excess lands" to reside on or near the land they wish to buy. The regulations came about as the result of a Federal district court decision in 1976 directing the Bureau of Reclamation to initiate public rulemaking procedures for the sale of "excess lands."

The Reclamation Act of 1902 imposed a 160-acre limitation on the amount of land which a farmer or rancher can irrigate from bureau of reclamation water. Farming techniques and economic realities have changed drastically since 1902, and many economists contend that the enforcement of the 160-acre limit would result in farming units which would be too small to be economically feasible. Until last year's Federal district court decision, the issue was wholly academic since the Bureau did not strictly enforce the 160-acre limit.

The issue is no longer academic. Thousands of farmers and ranchers in the Western States are now faced with the forced sale of their "excess lands." Affected landowners are understandably distressed and the proposed regulations have sparked tremendous controversy throughout the West.

The Department of the Interior's proposed regulations have not yet been finalized or implemented. Secretary Andrus and other Interior Department officials will conduct 10 public hearings on the regulations during the month of November. But it is very unlikely that the regulations will be altered in any significant respect since the Secretary remains bound by the court order which strictly construes the Reclamation Act of 1902. Any remedial action must take the form of an amendment to the act of 1902.

Earlier this month President Carter expressed his view that in most instances a unit of 160 acres, or even 320 acres, is too small to sustain a farm family's economic needs. The President indicated that he will soon send to Congress a proposed legislative remedy. In the meantime, several other amendments to the act of 1902 have been proposed.

Senate Joint Resolution 93 provides the necessary time frame for Congress to thoroughly consider the reclamation and "excess lands" issue, and to enact legislation updating provisions of the act of 1902 which Congress deems outdated or unnecessary.

I therefore, urge my distinguished colleagues to give this joint resolution their prompt approval.

U.S. BANKS IN PANAMA

Mr. PROXMIRE. Mr. President, I wish to call to the attention of my colleagues information concerning the activities of U.S. banks in Panama. The recently concluded treaty with Panama has stirred speculation that U.S. banks may have excessive exposure in Panama and therefore, have a special interest in the benefits to Panama from the financial portions of the agreements.

As chairman of the Committee on Banking, Housing, and Urban Affairs, I asked the Federal Reserve Board and the Comptroller's Office to provide detailed information on U.S. bank exposure in Panama. I ask unanimous consent that their replies, including the tables appended thereto, be printed in the RECORD.

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

(See exhibit 1.)

Mr. PROXMIRE. Mr. President, the data supplied by the bank regulatory agencies show that U.S. banks had total claims on Panama of $2,831 million as of December 31, 1976. Reports for June 30, 1977, are not yet fully tabulated, but it appears that total exposure has not grown and may have declined: All national banks had just $773 million in claims in Panama, and 20 large banks (including large State member banks involved in lending in Panama) had $2,162 million in claims in Panama. Data obtained for June 30, 1976, indicate total U.S. bank exposure in Panama was $3,417 million. Further revision of the figures may yield a different result, but based on what is available currently, U.S. banks seem to have reduced their exposure in Panama during the past year, although overseas operations in general and other off-shore banking centers outside London (Bahamas, Cayman Islands, Singapore, Hong Kong, Bahrain, and so forth) in particular have been expanding rapidly.

Panamanian claims of U.S. banks do appear large in relation to claims on other Central American countries. Total U.S. bank claims on the other five republics were $1,478 million at the close of last year, as compared with $2,831 on Panama. But claims on Panama are enlarged by its role as an offshore international banking center, a role not played by other Central American republics. From one-quarter to one-third of bank claims on Panamanian residents are claims in fact on the branches of other foreign banks (principally European banks) in Panama. These interbank deposits are fully backed by the parent banks and should be excluded from an assessment of true bank exposure in Panama. It should also be noted that a much higher percentage of total claims on Panama are externally guaranteed (Panama, 21.3 percent; Costa Rica, 8.9 percent; El Salvador, 3 percent; Guatemala, 1.7 percent; Honduras, 9.3 percent; and Nicaragua, 3.7 percent)

Claims on Panama are largely short-term claims despite its use as a center for booking loans to be used throughout Central America. As of December 31, 53.5 percent of U.S. bank claims had maturities of under 1 year. As of June 30, 52.1 percent of all national bank claims on Panama had maturities of less than a year and the percentage was slightly higher (53.8 percent) for the 20 largest national banks.

The U.S. bank operations in Panama are concentrated in a few large banks. Three banks, which happen to be state-chartered banks, holds 50 percent of the claims held by 20 large U.S. banks on Panama, that is, $1,081 million.

Four national banks hold 62 percent or $481 million of the claims of all U.S. national banks on Panama. The six U.S. banks with the largest claims on Panama (of which at least four are State-chartered banks) hold 75 percent or $1,622 million of the claims of 20 large banks on Panama. Some of this country's largest banks do very little business in Panama. And 13 of the 20 largest national banks do no business with other foreign banks and 5 do no business in Panama at all.

The bank regulatory agencies also provided information on the claims on Panamanian residents with more than 1 year to maturity as a percentage of bank capital. Only two banks, both State banks, had claims on Panama equal to more than 10 percent of capital. When claims carrying the guarantee of a party outside Panama are excluded, no bank has loans over 1 year to maturity which exceed 4 percent of its capital. Thus the potential losses which any single bank could suffer in Panama if all loans to all nonguaranteed borrowers were in default are less than one-half the bank's single borrower limit. To put it differently, no bank is more heavily exposed in total claims with maturities over 1 year in Panama than it is authorized to be exposed to a single domestic corporate borrower.

FEDERAL RESERVE SYSTEM,
Washington, D.C., October 11, 1977.

Hon. WILLIAM PROXMIRE,
Chairman, Committee on Banking, Housing and Urban Affairs, Washington, D.C.

DEAR MR. CHAIRMAN: I am pleased to respond to your letter of September 19 requesting information about U.S. bank claims on Panamanian residents.

Enclosed are four tables prepared by our staff which provide the information in question. These tables are derived from several different sources. Table 1 was prepared from data collected by the Federal Reserve as of year end 1976 from a group of approximately eighty U.S. banks; these data were published in a press release issued on June 3, 1977.

Tables 2, 3 and 4 were prepared from data as of mid-1977 collected in a new survey on bank exposure conducted by the Federal Reserve in cooperation with other bank supervisory authorities. Twenty large U.S. banks reported total claims on Panama amounting to $2.2 billion in this survey, compared with $2.8 billion of claims on Panama reported in the earlier survey noted above for a larger group of banks. Data collected in the new survey are still being processed by our staff and may be subject to further revision. If

significant revisions should occur later in the course of the editing process, I will provide you with a revised set of tables.

Data in Table 3 have been combined into groups of three banks in order to preserve the confidentiality of data for individual banks.

I hope this information will be useful to your Committee. Please let me know if I can be of further assistance.

Sincerely yours,

ARTHUR F. BURNS.

U.S. BANK CLAIMS ON PANAMA

TABLE 1.—*Total U.S. head office, foreign branch and foreign subsidiary claims on Panamanian residents, December 31, 1976*

(Millions of dollars)

Total Claims	2,831
1 year or less	1,514
Over 1 year to 2 years	90
Over 2 years	323
Unallocated	904

Source: FR 2029. Report filed by approximately 80 banks.

TABLE 2.—*Claims on Panama of twenty large U.S. banks, June 30, 1977*

(Millions of dollars)

Claims on banks	589
Claims on banks with head offices in other countries (including branches or affiliates of U.S. banks)	463
Claims on private nonbanks	583
Claims on official institutions	261
Claims on private nonbank and official institutions externally guaranteed	[1] 729
Total claims on Panama	2,162

[1] From the regular 502S statistical report, it is estimated that branches of U.S. banks in Panama had liabilities of $367 million to local residents as of June 1977.

Source: Federal Reserve and Comptroller of the Currency Foreign Exposure Reports.

TABLE 3. *Shares of individual banks in large U.S. banks' total claims on Panamanian residents and in their total claims on Panamanian offices of non-Panamanian banks, June 30, 1977*

Bank (left column):

Shares of individual banks in total claims on Panama of 20 large banks (middle column):

Shares of individual banks in total claims on Panamanian offices of non-Panamanian banks of 20 large U.S. banks (right column):

1, 2, 3	50.0	34.9
4, 5, 6	25.1	26.6
7, 8, 9	13.3	9.3
10, 11, 12	5.6	8.0
13, 14, 15	3.4	6.5
16, 17, 18, 19, 20	2.6	5.2

Source: Federal Reserve and Comptroller of the Currency Foreign Exposure Reports.

TABLE 4. *Claims on Panamanian residents with more than one year remaining to maturity as a percentage of capital for twenty large U.S. banks, June 30, 1977*

Bank	Per cent [1]
1	13.2
2	10.4
3	8.6
4	4.0
5	3.3
6	3.0
7	3.0
8	2.8
9	1.1
10	1.0
11	1.0
12	.8
13	.5
14	.5
15	.5
16	.4
17	0
18	0
19	0
20	0

[1] Included in these percentages are claims that carry the guarantee of a party outside Panama. The amounts of such guaranteed claims cannot be precisely calculated for loans with more than one year to maturity. However, the total of nonguaranteed loans over one year to maturity does not exceed 4 per cent of capital for any bank on the list.

Source: Federal Reserve and Comptroller of the Currency Foreign Exposure Reports and FR 416.

COMPTROLLER OF THE CURRENCY,
Washington, D.C., October 12, 1977.

Hon. WILLIAM PROXMIRE,
Chairman, Committee on Banking, Housing, and Urban Affairs, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your letter dated September 28, 1977 requesting information regarding the commitments of U.S. national banks in Panama.

1. As of June 30, 1977, total claims, including foreign branches and subsidiaries, on Panamanian residents aggregated $773 million with $403 million due in one year and under, $288 million maturing over one to five years, and $82 million due in five years and over.

2. On June 30, 1977 the proportion of such claims which represented claims on United States and foreign bank branches in Panama, that is excluding Panamanian banks and other Panamanian residents, totaled $279 million.

3. For each of the twenty largest United States national banks, claims on Panamanian residents as a percentage of total national bank claims on Panamanian residents, were:

Bank	Amount [1]	([2])
A	7	0.90
B	0	0
C	0	0
D	0	0
E	22	2.84
F	1	.13
G	163	21.08
H	0	0
I	5	.65
J	0	0
K	137	17.72
L	44	5.69
M	1	.13
N	87	11.25
O	12	1.55
P	94	12.16
Q	3	.38
R	25	3.23
S	34	4.39
T	4	.51
Total	639	82.61

[1] In millions of U.S. dollars.

[2] Percentage of total claims on Panamanian residents.

For each of the twenty largest United States national banks, claims on non-Panamanian banks as a percentage of total national bank claims on non-Panamanian banks and residents, were:

[Amount in millions U.S. dollars]

Bank	Amount	Percentage
A	0	0
B	$1	0.36
C	0	0
D	0	0
E	0	0
F	37	13.26
G	0	0
H	0	0
I	36	12.90
J	0	0
K	0	0
L	20	7.16
M	0	0
N	0	0
O	6	2.15
P	0	0
Q	76	27.24
R	0	0
S	33	11.82
T	0	0
	209	74.89

For each of the twenty largest United States national banks, claims on Panamanian residents with more than one year remaining to maturity, as a percentage of each bank's total capital, were:

Bank	Percentage of total claims
A	0.46
B	0
C	0
D	1.10
E	0
F	0
G	1.83
H	0
I	8.38
J	1.45
K	0
L	2.35
M	0
N	.74
O	.31
P	1.03
Q	.41
R	2.89
S	2.51
T	.74

We hope this has been responsive to your inquiries.

Sincerely,

JOHN G. HEIMANN,
Comptroller of the Currency.

THE SITUATION IN SOUTH AFRICA

Mr. BROOKE. Mr. President, in India there is a saying: "Those whom the gods would destroy, they first make mad." This certainly appears to be the case in South Africa where the actions of its government in seeking to perpetuate the unjust and immoral system of apartheid can only be described as a "reactive insanity" and a wish for self-destruction.

The tragic death of Steve Biko, a black leader whom many in South Africa looked to for counsel and encouragement, increased our awareness of the terrible inequities in South Africa. Now, the Government of South Africa, clinging to a policy of racial separation that has been bankrupt from its inception, has brutally moved to close all avenues to peaceful dissent on the part of the black majority in South Africa by closing the leading black newspaper; detaining its widely respected editor, Percy Qoboza; banning various individuals; and issuing unmistakable threats to the remaining press to either follow its dictates or risk a similar fate. These actions are a tragic indica-

tion that the South African Government lacks the political foresight and courage to come to grips with the pressing need to work with the disenfranchised black majority to establish a multiracial equitable society. Lacking moral imagination, the Government of South Africa has turned increasingly to repression to counteract the growing reaction to its vile racial policies.

The repressive actions by the South African Government may result for a time in relative clam. But, over time, its actions and policies, if continued, will not only further alienate black South Africans, but also set the stage for a massive violent upheaval within which both blacks and whites will experience great suffering. The South African Government is on a one-way street to tragedy. And as it takes further steps in that direction, it is enmeshing itself in an action/reaction syndrome that increasingly assumes the appearance of inevitability. Unless the process is arrested and reversed in the immediate future, an action increasingly unlikely in light of recent events, the chances to avert a holocaust will be dim indeed.

Mr. President, the aspirations of the black majority in South Africa for equitable participation in that society will not disappear or dissipate though confronted by this action. Affirmative efforts to make those aspirations a reality may be restrained for a time. But ultimately, the black majority will have its "place in the sun," as it rightly should. The real choice then in South Africa is whether legitimate black demands will be fulfilled with a minimum of violence and further injustices, or whether the unwillingness of white South Africans to acknowledge, accept, and work to fulfill legitimate black aspirations will create such a gulf between the two societies that relatively nonviolent change will become impossible. The South African Government appears bent on making the latter inevitable.

We, as outsiders, do not have the solution to this tragic situation. It can only come from within South Africa, with a rapid change in the attitudes of the white minority. Many of us desperately hope that such a change is still possible and are willing to do what we can to promote it. But we must also soberly recognize that there is a point at which we may no longer have a reasonable hope of encouraging needed change. Animosity on both sides may become insurmountable. The most recent actions of the South African Government, I fear, have moved us nearer that point. And I am deeply fearful that very soon the "politics of the sword" may monopolize the situation in South Africa.

Mr. President, the administration is correct in stating that the United States is "deeply disturbed" over these recent developments. I believe that the majority of Americans agree. And I hope that the South African Government will take to heart the implicit warning that the basis for positive relations between our two countries is rapidly eroding, and will continue to do so unless positive changes occur in relationship to the status of the black majority in that country.

VETERANS DAY

Mr. McINTYRE. Mr. President, on Monday, October 24, we observed a day of remembrance in honor of the millions of Americans who have defended our Nation as members of the Armed Forces. We recalled and honored those gallant Americans who fell in the service of the country they loved. We also honor and remember those of us who remain as living representatives of the Armed Forces of the United States. We remember the millions of men and women who have given of themselves so that the principles upon which our Nation was founded might endure.

Veterans Day was originally observed on November 11, the anniversary of the end of World War I. President Woodrow Wilson proclaimed that date as "Armistice Day" to honor those who had fallen in that first great war.

However, the "war to end all wars" proved to be only the beginning of a turbulent time. The peace that followed World War I was shattered by an even more terrible conflict in 1941—and U.S. troops once again made the ultimate sacrifice in defending their country. The conflict in Korea—and more recently Vietnam—interrupted the temporary world peace.

But, thankfully, we are celebrating the third consecutive Veterans Day where no American troops are fighting in a foreign land. In these days of peace, it is even more important that we remember the sacrifices many have given throughout our Nation's history. More than 40 million men and women have served our country in uniform in times of war—and on October 24, we once again remembered and thanked these loyal and patriotic Americans throughout the United States.

We are now in an era of peace, one which we hope will last for years to come. But this time of peace has been paid for by the sacrifices of men and women from the Revolutionary War to the Vietnam conflict. Thus, it is fitting that we take time to pause and recall those who served in our Nation's Armed Forces, many of whom made sacrifices we can never repay.

UNITED STATES-LATIN AMERICAN POLICY AND HUMAN RIGHTS

Mr. KENNEDY. Mr. President, last month the Fund for New Priorities, the Washington Office on Latin America, and the National Council of Churches joined with a broad coalition of American church and labor groups to hold an important congressional conference on United States-Latin American policy and human rights. I congratulate my esteemed colleagues, Senator McGOVERN and Congressman HARKIN, for sponsoring this conference.

The conference proved to be a valuable forum to discuss and reflect on the important but difficult task of promoting human rights in Latin America and the world. Administration officials, Members of Congress, and prominent nongovernmental spokespersons joined on September 27 with representatives of the democratic opposition of Argentina, Bolivia, Chile, and Uruguay to consider U.S. human rights policy, the particular human rights situations gripping their countries, and the political alternatives for the future.

I would like to commend especially Patt Darien, the Assistant Secretary of State for Human Rights for her sensitive remarks at the conference on the difficult process of promoting human rights. Her description of her personal approach to officials of countries known for human rights violations was refreshingly unbureaucratic and candid. She was right to warn that "it is too early to proclaim any advance in human rights," while at the same time emphasizing the necessity to "sustain interest in the human rights cause." We all must not let these concerns be forgotten.

Indeed, this congressional conference has taken place at a historic point for Latin America—a point in which either the forces of repression can become firmly established in that continent or there can be a return to democratic institutions and individual liberties. I strongly agree with the President that human rights must be a cornerstone of our policy, here and elsewhere. This is crucial not for our sake, not for the sake of "making us feel good again" about the direction of U.S. policy abroad, but rather for the sake of democratic forces worldwide, especially those fighting for their very survival in the southern cone of Latin America. Human rights must be protected by democratic institutions based on humane and just principles, and must be defended from institutionalized repression.

Archibald MacLeish has written that "the cause of human liberty is now the one great revolutionary cause." For liberty once again to flourish requires unremitting effort by the United States and other partisans of democracy in the Hemisphere. Let that effort not flag as a result of superficial adjustments by repressive regimes. Solidarity and hope must filter in so that a process of democratic regeneration can begin.

Orlando Letelier, the respected Chilean diplomat, cabinet minister, and economist, was a vital source of this solidarity and this hope. Only last month, many of us commemorated the life and death of this man who had become a symbol of democratic regeneration for Chile and her people. His brutal assassination here in Washington, 1 year ago—reportedly by Cuban exiles directed by Chilean Government intelligence agents—brings home not only the tragedy, but the appalling reach of repression if it is not firmly opposed by us all.

As legislators, we should not forget that many of our colleagues in Chile, Argentina, Uruguay, and elsewhere have been tortured, exiled, and assassinated, as was Orlando Letelier. The tragic killing of fellow parliamentarians, such as House Speaker Hector Gutierrez Ruiz and Senator Zelmar Michelini of Uruguay, and Congressman Amaya of Argentina, must reinforce our support for the struggle for human rights and for open and impartial legislative and judicial processes.

In pressing this struggle, we should join with democratic legislators, most of them exiled or detained, to dramatize the democratic alternative. The U.S. Congress and administration cannot equivocate in our support of the democratic alternative, if we are to be serious about fully restoring human rights in the hemisphere.

I was particularly struck by the eloquent remarks that Sergio Bitar, a former Minister of Chile, made on this same point before the congressional conference. I would conclude, Mr. President, by quoting from these remarks:

There exists now a democratic alternative for Chile. The democratic alternative is the only way of attaining a just and enduring solution. The cosmetic efforts to change the image of the totalitarian regime can only prolong injustice, fear and misery. The current regime cannot endure. Its end will not result in chaos, but in a democratic and legitimate governments. . . .

Democracy is the only solution. There are no reasons that can justify the prolongation of the dictatorship. The failure to understand this simple truth while applauding and supporting superficial changes of the junta, can only delay and hinder the reestablishment of a democratic order. In history there has never been a totalitarian regime that has evolved towards democracy by the will of the dictator. . . .

The achievement of democracy is the task of the Chilean people. What we ask is only that the US not obstruct this process by supporting the present regime. This would be the best expression of nonintervention, and a real concern for human rights and democracy in US foreign policy.

We believe that the US Congress, the traditional guardian of democratic values, has a decisive role in helping to avoid that the ideals of democracy not be sacrified for short term diplomatic considerations.

What Sergio Bitar said of Chile could equally well be said of all other countries of the Latin American southern cone—now but not permanently under the grip of military dictatorships.

"D-2 LANDS" IN ALASKA

Mr. STEVENS. Mr. President, one of the major controversies to be presented to the Senate in the next 18 months will be the decision over the so-called d-2 lands. These are lands which are currently withdrawn in Alaska for study for potential inclusion in specific Federal management systems. Valuable concentrations of important minerals need to be properly inventoried prior to any congressional decision. For example, the Bureau of Mines recently announced the discovery of significant uranium concentrations in an area which has been withdrawn for potential designation as a wild river. Additionally, a private exploration company has announced discoveries of important minerals on lands also proposed in some d-2 legislation. Congress needs information such as this discovery to make a real decision on what the best category for placing public lands will be. Before Congress can make a final d-2 decision, it must know what it is dealing with. Further exploration is needed since significant mineral deposits will be discovered on lands about which Congress would otherwise be without information.

Mr. President, I ask unanimous consent that two articles dealing with discoveries of minerals in Alaska be printed in the RECORD. One was originally published in the Wall Street Journal and deals with the discovery of valuable mineral deposits in northwest Alaska. The other is an editorial from the Anchorage Times dealing with the need to pursue expeditiously Federal mineral exploration on lands which are withdrawn from private exploration.

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

HOUSTON OIL, PARTNER HAVE SIGNIFICANT FINDS OF MINERALS IN ALASKA

HOUSTON.—Houston Oil & Minerals Corp. said that it and its joint venture partner, General Crude Oil Co., found "significant" mineral deposits in Alaska.

The company said "data are incomplete and no reliable estimate" of the reserves of the minerals involved can be made pending further exploration. It added: "Data thus far developed permit the inference that the find is a major discovery."

General Crude is a unit of International Paper Co.

Houston Oil said the minerals it found are above the Arctic Circle, about 80 miles north of Kotzebue, Alaska, and 50 miles from the Chukchi Sea. Because winter is starting there, further substantial exploration probably won't be done until next year, it added. The area's location, plus environmental reporting requirements, ensure that "production won't begin for a number of years," the company said.

The company said that four of seven core holes it has drilled have resulted in mineral finds. It cautioned that it hasn't determined whether the core holes penetrated the mineral layers precisely at right angles. Thus, it said, it doesn't know for sure how thick the mineral deposits might be.

The company said its first hole, which was drilled at a 45-degree angle, encountered 48 feet of minerals between 495 feet and 572 feet, measured in the core hole. A mineral zone between 495 feet and 510 feet was assayed at 4.3 percent lead, 14 percent zinc, 0.07 percent cadmium and 2.55 ounces of silver a ton, it said.

A core taken from between 516 feet and 523 feet averaged 5 percent lead, 14.4 percent zinc, 0.07 percent cadmium and 2.7 ounces a ton of silver. The mineral zone tested between 546 feet and 572 feet averaged 8.1 percent lead, 8.2 percent zinc, 0.05 percent cadmium, and 0.27 ounce a ton of silver.

The company said that hole No. 5, drilled about 2,400 feet southwest of hole No. 1 at a 45-degree angle, encountered 98 feet of minerals in three zones between 91 feet and 253 feet measured in the core hole. Minerals in the top zone, between 91 feet and 116 feet, averaged 5.7 percent lead, 5.8 percent zinc and 0.08 ounce of silver a ton. The zone between 179 feet and 233 feet averaged 8.5 percent lead, 25.5 percent zinc, 0.25 percent cadmium and 5.32 ounces of silver a ton. The zone between 233 feet and 253 feet was assayed at 1.5 percent lead, 8.5 percent zinc, 0.02 cadmium and 0.12 ounces of silver a ton.

The company said hole No. 6, also drilled at a 45-degree angle, encountered 42 feet of minerals and hole No. 7, drilled at 80 degress, found 71 feet of minerals. These holes were drilled between holes No. 1 and No. 5. Cores of holes No. 6 and No. 7 haven't yet been tested.

General Crude and Houston Oil each hold a 47.5 percent interest in the venture. The remaining 5 percent is held by WGM Inc., a mining and geological consulting firm based in Anchorage.

A WEALTH OF MINERALS

It is a pathetic commentary on the low esteem in which discovery of Alaska's mineral wealth is held when a senior official of the U.S. Bureau of Mines must defend his announcement of a uranium find.

That is exactly what has happened to John Mulligan, chief of the bureau's field operations center in Juneau, following his recent announcement that uranium concentrations had been found in waters in a 20-square-mile area near Mount Prindle 50 miles northwest of Fairbanks.

The explosive element in Mr. Mulligan's statement, of course, is the fact that the discovery is within an area marked for inclusion as the Beaver Creek national wild river sanctuary under the Carter administration's plan for Alaska's D2 land.

An Associated Press story from Juneau said the bureau's announcement is "expected to attract a flood of prospectors to the area."

There is nothing abnormal or illegal about prospectors moving into the target area. Until it is sanctified as untouchable wilderness by Congress, prospecting for the much-needed uranium should be encouraged.

What is disturbing about the AP story is that it puts Mr. Mulligan on the defensive, forcing him to deny that the bureau, an agency of the Department of the Interior, has any intention of sabotaging the wilderness-making plans of his boss, Interior Secretary Cecil Andrus.

The AP reporter wrote:

"Some state officials, however, said they were suspicious of the bureau action, noting a past history of in-fighting within the Department of Interior over environment issues and the unusual nature of the press release."

Alaska's commissioner of Natural Resources, Robert LeResche, was quoted as saying. "There's something going on for sure."

We'll tell our puzzled commissioner what is going on. Mr. Mulligan is doing the job he is paid to do—finding Alaska's minerals and telling the world about what he finds. He has nothing to hide and is merely continuing a program that resulted in announcements last year of silver deposits in the Brooks Range and a coal deposit discovered near Mt. McKinley, both located on land proposed for D2 withdrawal.

The Bureau of Mines chief in Juneau gave no indication that he is about to wear a muzzle. He said that his office will soon release information on a major silver discovery in the national petroleum reserve.

We hope Mr. Mulligan and his staff tell "suspicious" state officials and all others opposed to releasing news of Alaska's mineral wealth to find a hibernating hole.

It will be a dark day for Alaska and the nation when wilderness worshippers exert so much influence that discovery of new uranium, silver or any metal prospect is tagged as bad news—so bad that it should not be announced to a mineral-hungry world.

NATURAL GAS PRICES—IMPACT OF INCREASE

Mr. ABOUREZK. Mr. President, a recent column by Hobart Rowen shows just how much money is involved in every penny we increase natural gas prices—either by regulation to the level suggested by President Carter, or by deregulation, which 50 Members of the Senate voted for. I ask unanimous consent that Mr. Rowen's article be printed in the RECORD.

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

GAS DEREGULATION: "THE PUBLIC IS BEING HAD"

(By Hobart Rowen)

The industry's effort to deregulate the price of newly discovered natural gas threatens to be one of the boldest and biggest steals of all time. "What is being done here is the greatest unarmed robbery in the history of the country," according to Sen. Don Riegle (D-Mich.).

It's important to get some impression of the monumental nature of the rip-off. Not content with a price increase for new gas of 445 per cent from 1972 through 1976, the industry in reality is seeking to get the equivalent of the monopoly price of oil, as set by OPEC: $2.50 to $2.75 per thousand cubic feet.

That would give the industry a price increase of 2,000 percent—yes, 20 times the 13- to 14-cent price at which it was making a good profit in 1968.

The industry lament is that it needs ever higher prices to provide incentive for new explorations. But a hard-to-counter analysis by the Consumer Federation of America shows that while prices were increasing 445 per cent in 1972–76, gas production decreased 12 per cent, reserves declined 19 percent, and profits boomed by 50 percent.

Lee C. White, former chairman of the Federal Power Commission, now lobbying hard against deregulation, observes that before 1968, "we argued over pennies." And for good reason: Every added penny on the gas price per thousand cubic feet costs consumers $200 million. Every dime costs $2 billion.

Yet, in an effort to stave off the greedy drive for total deregulation, hard-pressed Democratic senators are giving away dimes and quarters like chicken feed.

Last year, two statistical agencies of the Federal Power Commission estimated that a fair price for "new" natural gas was between 60 cents and 67 cents—"fair price" meaning a return of 15 to 18 per cent.

But the commission itself figured the fair price at $1.42, allowing, in its computation, a federal tax burden calculated at the theoretical corporate-taxtable maximum of 48 percent. Of course, no industry pays 48 percent. "If they paid more than 7 per cent [as an effective tax rate], they need a new lawyer," says White.

Then the Carter administration came along, after the U.S. Court of Appeals sustained the FPC's $1.42 price, and proposed a formula that would sweeten the price for "new" natural gas to $1.75.

Even that didn't satisfy the industry, so Henry Jackson made an abortive attempt to avert a deregulation vote in the Senate with a proposal for $2.03 per thousand cubic feet, and a more generous interpretation of "new" gas. The price would rise to $3.36 in 1985, with full deregulation in 1987. How utterly ridiculous can this get? How long will it take before the public realizes that it is being had?

A high administration official dealing with energy matters, who saw the turn of the tide some weeks ago, put it this way:

"The moral imperative for American business is to maximize profits. Natural gas is no exception. You just go over the debates over the years. Give us 35 cents—that's all we want, they said. Give us 50 cents. Last year, they said a dollar will produce all the gas you want. Now, at a $1.75, for the shallow deposits, the incentives are just overwhelming. . . .

"The incentives are so damn great that the producers are bidding one against the other for drill rigs, for steel, for trained manpower, for leases."

There was a time when the administration thought the industry couldn't turn down a price between $1.75 and $2 because the profits would be so great. But the natural-gas industry isn't satisfied. It's had the deregulation bug ever since President Nixon planted the idea, and now sees no reason why it shouldn't get the OPEC equivalent, and with that a transfer of some $10 billion annually from consumers to the gas producers. Who knows? The OPEC oil price one day may be $25 a barrel.

The huge increase in the price of oil from around $2 to $3 a barrel in 1972 and 1973 to $13 or $14 a barrel today, as many officials have once again concluded, created unmanageable financial problems. It has led to enormous debt and, currently, a serious worldwide flirtation with protectionism.

The price of oil is today's key issue—and everyone talks about it merely in whispers, fretful of the effect on Mideast politics. The world today appears to be concerned more about the fear of an empty gas tank than about moral attitudes. But having let OPEC dictate this country's oil prices, it would be criminal if we let OPEC dictate natural-gas prices as well.

STATES EVIDENCE REGULATORY INTEREST

Mr. HANSEN. Mr. President, the lengthy and complex deliberations which have been a part of the past two sessions of the Congress, addressed to the matter of telecommunications service has produced a greater understanding about the unique interrelationship of Federal and State jurisdictions in the process of regulating this vital industry.

I strongly believe that these matters are of importance to the Nation and deserve, indeed require, the action of the Congress to insure the public interest is served in the future.

I recognize the intense interest of the States in seeking to preserve that which they understand to be particular and unique local circumstances. In my testimony before the Subcommittee on Communications of the Senate Commerce, Science, and Transportation Committee this past March, I provided an example of the kinds of situations in which the people find themselves.

Not far from the western border of Wyoming, near my home in Jackson, there is a small community called Bondurant, with hardly more than 100 people. Bondurant is a local center for the area's agricultural community and a way-station for travelers coming to and from the national park areas to the north and west.

This year some 40 Bondurant families whose telephone service has been coming to them on an 8-party line hookup will have, for the first time, a choice of single-party, 2-party, or 4-party service. Bondurant is only one of the many rural communities in Wyoming that will see the end of the 8-party line by 1978. They are part of a 5-year, multimillion-dollar phone company project called rural improvement program. Some $330,000 is being invested by the phone company in behalf of Bondurant customers alone, an average of $8,300 per subscriber.

The basic monthly rate today for 8-party service is $6.55. When this upgrading of service is completed the monthly rate "for basic 2-party service" will be about $14.50. But the actual rate, if the people in this rural community were paying what it costs to provide this service, would be about $180 to $185 per month. Now who can—or should have to—pay this amount of money for plain telephone service? These are the people I am concerned about and speak for today.

This type of development, I submit to you, could never happen in a competitive telecommunications structure. It is possible only because, under a regulated franchise, the telephone company is obligated to serve all customers in its assigned geographic area and because it is permitted to balance the costs of service in thinly populated regions with those in more densely settled communities.

Only through a structure in which the States maintain authority to determine the conditions under which the unique needs are to be satisfied and only through a structure which permits the economic advantages of the interstate telephone network to benefit basic telephone users particularly in remote areas can the kind of extreme situation my example describes be prevented.

Mr. President, I believe we must be continually mindful of the significance of arriving at a balanced relationship between Federal authority and the authority of the States in arriving at an ultimate structure which would best serve all the people of the country.

The Governors of the Western States, one of those States being my home, made the review of the Communications Act an agenda item at its recent conference in Anchorage, Alaska, this fall.

The result was a resolution highlighting interest in the matter and urging Congress to proceed in such fashion as to keep the interest of States very much in mind in establishing national priorities and objectives. I ask unanimous consent that the resolution be printed at this point in the RECORD.

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

WESTERN GOVERNORS' CONFERENCE

RESOLUTION 77–42

Telecommunications and the review of the Federal Communications Act of 1934

RESOLUTION

Whereas, the Western Governors' Conference has a vital interest in maintaining policies which insure the provision of telephone service to as many people as possible at reasonable rates; and

Whereas, the appropriate committees of Congress are presently reviewing the Federal Communications Act of 1934 in the light of current and future communications requirements of our nation; and

Whereas, the FCC has also pursued a policy of extending its jurisdiction over terminal and station equipment used in providing telephone exchange service, in such a way as to pre-empt the authority of state regulatory commissions and to divert revenues that would otherwise flow to the benefit of residential telephone service customers,

Now, therefore, be it resolved by the Western Governors' Conference that it commends the Congress for undertaking this review of the Federal Communications Act of 1934 particularly as it relates to the provision of telecommunications services; that Congress should reaffirm the original purpose of this Act in giving priority to the objective of providing universal telephone service on a basis which insures high quality service at reasonable rates to the users of residential telephone service; and that the Congress should take appropriate action to urge the Federal Communications Commission to call a moratorium on the continuation and ex-

pansion of its policies fostering competition until after the Congress has had an opportunity to consider what should be the national priorities and objectives in the provision of telecommunications services; and

Be it further resolved that a copy of this Resolution be presented to the National Governors' Conference for consideration at its meeting in Detroit, Michigan on September 7–9, 1977.

Passed at Western Governors' Conference, Anchorage, Alaska on September 2, 1977.

Mr. HANSEN. Mr. President, the Western Governors resolution was then presented at the National Governors' Convention later in the year at Detroit. The National Governors responded by including the following expression in their overall policy statement. I also ask unanimous consent that the National Governors' policy statement be printed in the RECORD.

Mr. President, I urge my colleagues to give careful attention and consideration to the views of these leaders of the States.

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

The National Governors' Conference commends the Congress for undertaking a complete review of the Federal Communications Act of 1934, particularly as it relates to telecommunications services, and supports revision of the Act:

1. To give states the maximum authority possible in the regulation of telecommunications services.

2. To permit state regulatory commissions to participate more effectively in the FCC's decision-making process.

3. To reaffirm the original purpose of the Act in giving priority to the objective of providing universal telephone service on a basis which insures high quality service at reasonable rates to the users of residential telephone service.

Adopted without objection by the National Governors' Conference, Detroit, Michigan, September 9, 1977.

LEGISLATION RESTRICTIONS ON HUMANITARIAN ASSISTANCE

Mr. KENNEDY. Mr. President, as I noted last week, I have been deeply concerned over recent attempts in some quarters of Congress to write into our foreign assistance laws prohibitions that serve to restrict the ability of our Nation to respond to humanitarian needs around the globe—wherever those needs may exist.

Because of the legislative tangle these past several weeks over the foreign assistance bill, considerable confusion developed as to the precise understandings reached over the kinds of assistance the United States may or may not contribute, directly or indirectly, to certain nations.

For the record, I want to take note of the final action of the second conference committee on the omnibus appropriations bill, which, from my reading and by the committee's interpretation, places no legal barrier whatsoever in the way of any U.S. contribution to international humanitarian programs now underway in Mozambique, Angola, Laos, or Vietnam. There is nothing in the law, as it now stands, prohibiting our Government from contributing to international programs of assistance in these countries.

I hope, Mr. President, that this is also the interpretation of the administration, for there are urgent humanitarian needs that are not being met today, and international calls for assistance are being ignored. This is neither in the humanitarian traditions or interests of the United States.

I commend the leadership of the distinguished chairman of the Foreign Operations Subcommittee, Senator INOUYE, in helping to remove restrictions that would bar indirect American assistance to many worthy humanitarian programs in several countries, I urge the administration to take action as soon as possible to respond to the outstanding appeals for help by many international humanitarian organizations in southern Africa and Southeast Asia.

Finally, Mr. President, I hope Congress will also act to remove the remaining legislative restrictions that bar direct U.S. assistance to programs helping to meet humanitarian needs.

INITIATIVE CONSTITUTIONAL AMENDMENT

Mr. ABOUREZK. Mr. President, last July, Senators HATFIELD and GRAVEL joined me in introducing a constitutional amendment to allow the initiative process to be used at the national level as it is used today in 23 States. Our effort to gain support for this amendment has been very encouraging. Press interest in the initiative process continues at a high level and letters keep flowing into my office reflecting the genuine interest of the average citizen. It is clear that people all over the country like the idea of having the right to propose and vote on legislation.

Recently, Politicks magazine, a biweekly political review, released its premiere issue. It contained an article about the early stages of introducing the national initiative process and the future hopes we have concerning it. This article is an excellent synopsis of the status of our efforts.

Mr. President, I ask unanimous consent that this article written by Mike Nelson, be printed in the RECORD.

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

CITIZENS TAKE INITIATIVE

WASHINGTON.—Anyone who has ever taken high school civics, or seen *Mr. Smith Goes to Washington*, probably has a pretty good idea of how the political system is supposed to work, even as they realize that it frequently doesn't turn out that way. The light bulb flashes on over John Q. Public's head, he rallies his friends, and they petition their Representatives in Washington. A bill is then introduced, hearings are held, and finally, a new law is passed and an old wrong righted.

The light bulb went on last February for John Forster, Bill Harrington, and Roger Telschow. They had gotten together while attending a Consumer Federation of America meeting in Washington, D.C., to swap stories about their experiences in state initiative campaigns the year before. Suddenly it hit them: why not extend the practice, which allows citizens to propose laws through petition and enact them directly with their votes, to the Federal government? Out of their late-night discussions came Initiative America, an organization to spearhead the effort to get the National Initiative Constitutional Amendment through Congress.

Forster, Harrington, and Telschow drafted their proposal carefully, with an eye toward making the Amendment as unthreatening as possible to the Congress that would have to enact it. They specified that the initiative could not be used to declare war, call up the militia, or amend the Constitution. Congress would have the right to amend or repeal any law enacted through initiative by a two-thirds vote of each House or, after two years, by a simple majority. The courts would maintain their power to overturn unconstitutional laws enacted by initiative.

Realizing that opponents of their idea would raise the spectre of election ballots clogged with initiative proposals from political fringe groups, the Initiative America leaders designed the Amendment to ensure that only reasonably broad-based efforts would qualify. Citizens petitioning for a new law would have but 18 months to collect valid signatures equal in number to three percent of the votes cast in the preceding Presidential election; purely local issues would be screened out by a requirement that the three percent standard be met in at least 10 states. If the petitions were certified by the United States Attorney General within 120 days of the next national election, the proposal would go on the ballot right away; otherwise, it would have to wait two years until the next election. Once passed it would become law in 30 days.

"The purpose of the Amendment is not to replace Congress with direct democracy," says Telschow. "The initiative just adds another check and balance to the political system so that citizens have a last resort against special-interest groups. These groups have an unequal voice in Washington because they can afford to hire full-time lobbyists. Sometimes they are able to paralyze the legislative process. The initiative gives people a way of busting up those logjams when they develop."

Amendment in hand, Forster, Harrington, and Telschow began shopping around for a sponsor, and found Democratic Senator James Abourezk of South Dakota. Fortunately, Abourezk was a member of the Senate Judiciary Committee's Subcommittee on Constitutional Amendments, a strategic spot in the amendment process. Unfortunately, he had already decided to retire when his term expired in January 1979, and was understandably reluctant to take on any major new projects. Eventually, though, Abourezk came around; on July 11, he and Telschow held a joint press conference to announce that the Senator was introducing the Amendment into Congress that day. Senator Mark Hatfield, the Oregon Republican, also got behind the effort.

Abourezk's interest was spurred by his personal experience with the initiative in South Dakota. His political career was launched in 1969 when he led a drive to initiate the repeal of a law passed by the State Legislature which would have threatened the state's rural electrification system. As it turned out, the issue did not even reach the ballot—after Abourezk's troops gathered 50,000 signatures on a petition, the Legislature repealed the law itself.

Suitably enough, South Dakota was the first state to adopt the initiative process; since it did so in 1898, 22 other states, mostly Western and Middle Western, have followed suit. But the practice is even older than that: Switzerland has used the initiative since the early 19th century, and some trace it back to the plebiscites of the Roman Republic.

Harrington says that the experience of the states is Initiative America's greatest selling point. In November 1976, for example, Florida became the seventh state to pass a Sunshine Law by initiative; returnable-bottle statutes were pushed through by voters in

Michigan and Maine; Utah's citizens adopted a local-option law for fluoridation; and Arizona reformed its procedures for picking judges. In every case, State legislatures had stymied the bills until voters decided to take things into their own hands.

The more than 30 petitions that reached state ballots in 1976 crowned a steadily-rising trend of initiative use over the past few years after decades of relatively atrophy. In light of general voter apathy, this suggests that although citizens are disillusioned with both standard electoral politics and movement-style confrontations, they are excited by the prospect of using a procedure that draws on the best elements of both.

Initiative America's next task is to ride the crest of this growing citizen interest. Affiliated organizations have formed in 18 states. (The national office is located at 1316 Independence Ave., S.E., Washington, D.C. 32952.) A school bus is being remodeled to serve as a traveling office for Initiative America organizers, complete with law library and printing press. Oddly enough, the group got its biggest publicity boost from a highly critical article by Newsweek columnist George F. Will. Will's nationally syndicated column not only drew attention to the Amendment, but gave Telschow a chance to reply in follow-up articles.

Indiana Senator Birch Bayh, Chairman of the Constitutional Amendments Subcommittee, agreed to hold hearings on the Amendment in early December, an unusually prompt response. But the process is likely to be a long one. Constitutional Amendments normally pass only when a broad consensus forms; adoption requires a two-thirds vote in each house of Congress and ratification by three-fourths of the states. No one at Initiative America thinks their Amendment will get through the 95th Congress, and Harrington feels it may take six years or longer. If anything, though, we can expect the light bulb that flashed on over the Initiative American leaders' heads last February to burn even brighter as time goes by. They are determined to make the system work the way the civics books said it would, and to change the system so that it can work that way for everybody.

JOHN WAYNE ON THE PANAMA CANAL

Mr. CHURCH. Mr. President, we are all aware of the intense public debate over the ratification of the proposed Panama Canal treaties. That debate is likely to continue until the Senate votes on whether or not the treaties should be ratified.

In the meantime, however, I came across an argument in favor of the treaties in the Washington Post this morning from the actor, John Wayne, a man noted for his firm conservative views.

Mr. Wayne finds the treaties to be in the interest of the United States, and his views are worth reading because they are based largely on his own knowledge of Panama dating back several decades.

I ask unanimous consent, Mr. President, that his article from the Post be printed in the RECORD.

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

[From the Washington Post, Oct. 25, 1977]

TREATY SUPPORT FROM—YES—"THE DUKE"

(By John Wayne)

My interest in Panama goes back to the '40s. I have friends on both ends of that country's political spectrum. As a matter of fact, my first introduction to the Panamanian situation was in the '30s when Harmodio Arias was president. He was probably the best-liked figure in all of Latin America and one of the very few presidents who has ever completed a term. His wife and his son Tito, then about 12 years old, visited me in California. Another son, Tony, was godfather to one of my daughters. I am going into these personal things only to show that I have had reasons to give attention to our relationships down there.

I have followed the Panamanian situation since the time the State Department ensured our losing good relationships with Panama by changing its policy and charging extremely high prices for tuition for the children of several Panamanian families to go to Canal Zone schools. These families were continually involved in the leadership and administration of Panama. I think it would have been quite obvious that with their children attending our schools they would have our point of view. I wrote a letter to our administration at that time to apprise it of this situation. Nothing was done.

I was appalled when Gen. Eisenhower appeared to have given the sovereignty of the canal away by allowing the Panamanian flag to fly there; but at that time, neither Congress nor the press nor the conservatives uttered any kind of cry. I did, but it was a voice in the wilderness.

In checking to find the reason for President Eisenhower's actions, I found out that, although we had the rights to the ownership and jurisdiction of the canal, Panama had not surrendered sovereignty. I also found out that the United States, in the Arias-Roosevelt Treaty of 1936, ratified in 1939, recognized the sovereignty of Panama in the Canal Zone as it was originally stated in the 1903 agreement.

In negotiations during the Kennedy administration, it was further agreed that any place within the civil area that the American flag flew, there must be a Panamanian flag raised.

Our people in the Zone tried to avoid this by removing flagpoles. This started irrational actions by both sides. During those student riots that took place in 1964, then-President Lyndon Johnson told the world that there would be a gradual return of the canal to Panamanian possession. There were still no outcries from the people who are now complaining, but these acts, plus common decency to the dignity of Panama, demanded a re-evaluation of our treaty.

Now, let's take these new treaties for what they are. We do not give up one active military installation for the next quarter of a century. We do transfer to Panama in the civil canal area such governmental activities as police and fire protection, civil administration, post offices, courts, customs, garbage collection and maintenance of certain areas that are not necessary to manage the canal. The canal will continue to be run by an American agency whose board of directors will comprise nine members—five members of the board being American, and four Panamanian. These four will be selected by the United States from a list proposed by Panama. This board of directors will not have any authority on our military bases, which we will have there for a quarter of a century under the terms of the treaties.

The treaties ensure the jobs of all American citizens working in the canal and their continued use of their rented-homes at the present rate, which averages $150 a month, including utilities, garbage collection, sewerage, upkeep of the grounds and maintenance of buildings. All this is guaranteed to each until retirement or completion of his contract.

When these responsibilities are transferred to Panama, the Canal Company will also transfer $10 million a year of the toll charges. I doubt if this will cover the operating costs. So does our government. Therefore, this United States Canal Company Agency, which will still be running the canal for the next 20 years, will be instructed to raise the toll charges 30 cents per ton, or about 0.00015 cents per pound, to be given to Panama to cover such contingencies as inflation plus rental for the 120,000 acres that the United States will continue to hold for its military installations. This added toll charge could amount to $40 million in the years to come—but none of it will come out of our pockets. We will not be required to pay one dollar to Panama when these treaties are put into effect.

Regarding communism, there will always be accusations and counter-accusations. Gen. Torrijos has never followed the Marxist line. Even in his speech when he visited Cuba, he stated that Castro had ensured schooling and developed a system of feeding his people, but at a high social cost. Because of this he stated that what was aspirin for Cuba was not necessarily the right medicine for Panama, which is putting it about as plainly as possible, when you are visiting in a foreign country, that you do not agree with their methods.

I have carefully studied the treaties, and I support them on the basis of my belief that America always looks to the future and that our people have demonstrated qualities of justice and reason for 200 years. That attitude has made our country a great nation. The new treaties modernize an outmoded relationship with a friendly and hospitable country. They also solve an international question with our other Latin American neighbors. Finally, the treaties protect and legitimize fundamental interests of our country.

SENATOR STONE URGES PRESIDENT AND CONGRESS TO WORK TOWARD ENERGY COMPROMISE

Mr STONE. Mr. President, as the Senate/House conferees begin work on resolving differences between the various House and Senate energy bills amidst press reports of a confrontation before the Congress and the President over energy policy, I want to take this opportunity to express my personal hope that the Congress and the President may yet be able to agree on an effective national energy policy.

Given the regional, philosophical and political differences in the country about energy policy it is not surprising that President Carter's energy proposals have aroused much controversy. No comprehensive energy proposal could have been sent to the Congress and not been subject to considerable alteration before enactment into law. Our economy is diverse, our people have different needs. Energy is a complicated subject. These facts, more than partisan considerations, explain the difficulty in developing a comprehensive national energy policy.

In my own case I have attempted to evaluate the President's proposals and alternative proposals on the basis of the likelihood that they will reduce our dependence on foreign energy, the burden they would place on various sectors of our economy and our people, and the particular impact they may have on my State of Florida. Often I have come to the conclusion that the President's proposals are inadequate or unfair or unworkable. In such cases I have not hesitated to disagree with the President and have supported alternative proposals for solving the energy crisis. In other cases

I have found the President's proposals adequate, fair and workable and have supported them.

The important consideration at the moment is that the Congress and the President work as hard as possible to find an acceptable compromise. Otherwise, all of the hard work and the best efforts of Government officials and private citizens devoted to the development of a national energy policy will have been for nothing. Even more important, failure to reach agreement on a compromise means this country will continue to drift along without a national energy policy.

This is why it is so important that the Senate/House conference resolve differences between the Senate and House bills and that the President and the Congress ultimately reach agreement on an energy bill. While I disagree with some of the President's energy proposals, I absolutely agree with him that developing a national energy policy is the most important domestic priority.

DISPOSAL OF RADIOACTIVE WASTES

Mr. ABOUREZK. Mr. President, the problem of disposing of radioactive wastes which have accumulated from nuclear generating plants already in operation is recognized as a real dilemma—a dilemma which jeopardizes not only the people who may live in any of the sites under consideration as nuclear burial grounds, but which rightly jeopardizes the future growth of the nuclear industry. But however gradually we are beginning to realize that the waste disposal problem is integral to the cost of nuclear power, we have yet to realize the dimensions of the disposal question itself. The Wall Street Journal has highlighted another aspect of radioactive waste disposal: who is responsible for decommissioning nuclear plants once their useful life is over? Hundreds of nuclear facilities pose long-term radioactive threats to the citizens of this country—and to our children and our children's children for generations. Yet we have no real idea of how we will or can dispose of wornout reactors—or whether it is even feasible. The nuclear power industry, in its enthusiastic arguments for more and more nuclear facilities ignores the problem, and excludes it from the calculations of costs of nuclear power. Their position seems to be that the Government can worry about the problems, and the taxpayers will pay the price, as long as they can reap their profits.

Mr. President, I ask unanimous consent that this article from the Wall Street Journal of October 12 be printed at this point in the RECORD.

In addition, I ask that Tom Wicker's article on decommissioning nuclear plants also be printed in the RECORD.

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

[From the Wall Street Journal, Oct. 12, 1977]

SCRAPPING THE ATOM: U.S. PROBLEM IS HOW TO GET RID OF OLD REACTORS

(By Karen Elliott House)

SANTA SUSANA, CALIF.—In these desolate mountains near Los Angeles a team of men are tearing down a defunct nuclear power reactor. But it's no ordinary demolition job.

Shaped like a giant silo, the 30-foot-tall reactor is buried underground. Its walls are massive—five inches of steel encased in five feet of concrete. And there is a rather significant occupational hazard: The walls are so radioactive that if a man tried to work inside the reactor he would burn to death in seconds.

Thus, some adjustments have been made. The reactor has been filled with water, an effective shield against radiation. The walls are being cut into pieces by a remote-controlled machine with a long arm and a torch that burns through the steel. The arm moves up and down or from side to side as Bob Hardy, who sits in a room adjacent to the reactor, pushes buttons on a green console.

The crane moves the four-foot-square pieces to a storage pool. Eventually, 350 tons of radioactive rubble will be trucked to a burial ground in Beatty, Nev. Even the crane will be cut up and burned. And 18,000 gallons of water used in the demolition will be evaporated to remove radioactive particles. It will take two years and cost $6 million to demolish the government reactor, which took two years and $13 million to build in the 1950's.

A LONG-TERM HAZARD

If all this seems a lot of trouble and expense to lavish on a useless reactor, there is a reason: The federal government is trying to figure out what to do with worn-out nuclear power plants because they can't be simply abandoned. "Some radioactivity remains hazardous for thousands of years, making final and absolute disposal at best a difficult and expensive task," says Monte Canfield Jr., a nuclear power expert at the General Accounting Office, or GAO, an arm of Congress.

Yet no one is certain what to do about the dead reactors. Instead of demolishing them, some experts say they could be buried in concrete vaults or closed and put under guard for a few thousand years. Each alternative poses safety risks. Federal authorities are confident that solutions can be found. But others aren't so sure. The GAO, among other critics, bluntly accuses the government of ignoring the problem of cleaning up dead reactors.

Meanwhile, the problem grows. After 30 years of nuclear power development, hundreds of reactors and other nuclear facilities now are obsolete. Most of these are smaller, experimental government reactors as opposed to the larger commercial reactors used by utilities to generate electricity. But the number of commercial power plants is expected to increase from 65 currently to 300 by the year 2000. Most of these plants probably will have to be destroyed when they eventually wear out.

That adds to the uncertainty, because no big commercial nuclear reactor ever has been dismantled, and it's unclear if such a job could be done. The reactors that utilities are building these days are about 100 times the size of the small experimental reactor being dismantled here. The levels of radioactivity in a commercial-size reactor are so high and the walls are so thick that the technology doesn't yet exist to take one apart.

COST IS UNKNOWN

Another unknown is the cost of dismantling a big power plant. Estimates range from $31 million to $100 million if the job were done today. That's between 3 percent and 10 percent of the $1 billion it costs to build a nuclear power plant. But the clean-up cost will be much higher by the time a plant built today is "decommissioned." A reactor's operating life is about 30 years.

Whatever the cost, there is a further question of who should pay. Should utilities post a bond now to pay for cleaning up absolete reactors later? Or should consumers in the year 2,000 pay higher electricity rates to cover the cost of dismantling today's reactors?

All these questions are under study at the Nuclear Regulatory Commission, or NRC, which is responsible for regulating commercial nuclear power plants. But answers may be several years away. In the meantime, NRC officials say they are confident that the problems can be easily and cheaply resolved. "If we can send a man to the moon, we can figure out how to cut up a commercial nuclear reactor," says Peter Erickson, an official in the NRC's division of operating reactors.

That kind of confidence isn't exactly reasuring to many people who are concerned about the possible hazards of nuclear reactors. The White House Council on Environmental Quality last month recommended that the government stop issuing licenses for new nuclear power plants unless acceptable ways are found to dispose of radioactive wastes generated by the plants while they are in use and to clean up the plants after they are abandoned.

A Ralph Nader public interest group has petitioned the NRC to permit no further construction of nuclear power plants unless a utility agrees to put $13 million in an escrow account to cover costs of cleaning up a reactor once it shuts down.

The GAO has charged that the two federal agencies responsible for nuclear plants have taken a "shortsighted" approach to the problem of defunct reactors. Currently, the NRC oversees commercial reactors and the Energy Research and Development Administration, now part of the new Energy Department, is charged with disposing of government-owned reactors used in the development of nuclear power. The GAO has recommended that the NRC be designated the lead government agency to decide on a policy for cleaning up dead reactors.

Congress recently held its first hearing on the issue, and a House committee used the occasion to berate the NRC for failing to figure out long ago what to do with old reactors. "You pretend you're responsible and that you know what you're doing, but you haven't set any requirement that utilities put aside money to clean up their plants," shouted Rep. Robert Drinan. "I don't believe you know what you're doing," the Massachusetts Democrat told NRC officials.

So far, the NRC has prescribed no particular method for disposing of a reactor. Utilities are free to choose from any of three methods previously used to safeguard small experimental reactors. The cheapest is "mothballing," or simply welding the reactor vessel shut with steel and guarding the facility. Another method, "entombment," is more expensive because the reactor must be encased in concreate. Both mothballing and entombment require long-term monitoring to prevent hazardous leaks of radioactivity.

The third and most expensive alternative is dismantling, or completely removing the reactor from its site. Dismantling a large reactor, if in fact it can be done, would be especially costly and dangerous.

"The best way may be mothball or entomb the reactor for 100 years until some of the radioactivity decays and then dismantle it," says Clifford Smith, director of the NRC's office of nuclear materials, safety and safeguards.

Now, however, doubts are being raised about the advisability of burying dead reactors at their original sites.

Studies done in the past few years indicate that radioactive isotopes once believed to decay in several hundred years will instead require several thousand years to decay to safe levels. For instance, Marvin Resnikoff, a physicist at the State University of New York in Buffalo, has discovered that nickel-59, one isotope produced in reactors, could require more than 100,000 years to decay.

Another long-lived isotope, carbon-14, requires 65,000 years to decay.

Until recently, no one paid much attention to such problems. When a reactor no longer was useful, it simply was fenced and put under guard to keep out visitors or would-be terrorists. In a few intsances, reactors were encased in concrete and buried under six feet of dirt, creating huge graves about half the size of a football field.

The prospect of several hundred big reactor-graves dotting the countryside, as well as safety questions about both mothballing and entombment, make it unlikely that these methods will be a long-term answer. "The only politically acceptable solution," says Robert Ramsey, assistant director for nuclear programs at ERDA, "is to dismantle the reactor and go bury it" away from populated areas.

That is being done here in the Santa Susana Mountains. The work is being closely watched by the government and by private utilities because this is only the second reactor ever to be completely dismantled. Atomics International, a division of Rockwell International Corp., is dismantling the reactor, which it formerly operated for the government. Uncle Sam is paying the bill. The little reactor, known as the Sodium Reactor Experiment, or SRE was built in 1957 and operated for only seven years.

Because the dismantling task is so tedious and so dangerous, the whole job had to be rehearsed. A life-size replica of the SRE was built near the real one and then cut into little pieces under water by remote control.

Now the process is being repeated, only this time the reactor is radioactive. This poses two types of hazards: induced radioactivity and surface contamination. Induced radioactivity, which lasts for thousands of years, results from a nuclear reaction and deeply contaminates the steel walls surrounding the reactor. Surface contamination results from equipment coming in contact with radioactive materials and can be washed away.

To protect against surface contamination, men working near the reactor wear white coats and hats, two pairs of plastic gloves and red shoe covers. To avoid spreading radioactive contamination, all this clothing must be left behind once workmen leave the area directly above the water-filled reactor.

Although the remote controls spare workmen the dangerous task of cutting the steel walls into pieces, there is a further risk when the steel pieces are taken out of the water and moved into a nearby storage pool. As a crane lifts the pieces of steel out of the water, their radioactivity is emitted in the atmosphere until they are dropped into the storage pool. Thus, all workmen must leave the area except for the two crane operators who operate their machine from a distant corner of the building.

Once all the pieces are stored in pools of water, the water in the reactor will be removed and the concrete shield blasted with dynamite. The water must be evaporated and the radioactive sludge buried along with other wastes from the reactor, including all of the machinery used to do the job.

Atomics International officials say their work here proves that reactors can be safely dismantled. After six months on the job, the workmen have received an average of only one-tenth as much radiation as permitted under NRC safety regulations.

"This is no more unsafe than taking apart an old house if you're careful and know what you're doing," says W. D. Kittinger, Atomics International's program manager for the project.

PAYING THE NUCLEAR PIPER—II

(By Tom Wicker)

WASHINGTON.—When an experimental nuclear facility at Elk River, Minn., was dismantled, the cost ran to $6.2 million—although the plant had cost only about $6 million to build. At Oyster Creek, N.J., a nuclear plant could be safely dismantled for an estimated $100 million; but that's more than 150 percent of the original $65 million cost.

As much as $600 million may be needed to decommission and decontaminate a privately owned nuclear fuel reprocessing plant at West Valley, N.Y. At the moment, the State of New York is apparently stuck with the bill but is asking the Federal Government for help.

All this and enough more to set off a mushroom cloud over the Sam Rayburn Building was learned in recent hearings by a House Government Operations Subcommittee on Environment, Energy and Natural Resources. Nuclear waste disposal and plant decommissioning were pictured as twin horns of a so-called "back-end" crisis in the American nuclear program—a crisis that if not solved threatens the public safety, raises the possibility of wildly escalating costs and could put an end to nuclear energy production.

Decommissioning is a problem whose time is about to come, since changing technology will make it uneconomical or impractical for many existing plants to seek renewal of their original 40-year licenses. But the General Accounting Office and many of the experts who testified to the House subcommittee have made it plain that the problem has scarcely been thought about, much less solved.

In the first place, the necessary information and technology have not been completely developed for protection of the public, the environment and the workers involved in dismantling. There is, for example, no inventory by size, type and usage of particle accelerators, by far the fost numerous of nuclear facilities.

There are no Government standards for releasing materials that contain induced radiation, so it's not known how much—if any—valuable copper, steel and other materials might safely be recycled. If the historical trend for surface radiation standards continues, present rules to govern decontamination might be found in years to come to have been inadequate. And an Atomic Industrial Forum study found that a nuclear reactor probably would have to be buried underground for 65 to 110 years before cobalt-60 in the reactor vessel would decay sufficiently to permit manual dismantling.

The lack of information compounds the problem of estimating decommissioning costs for nearly 1,500 existing nuclear facilities, but it doesn't conceal the likelihood that they'll be very high. The Energy Research and Development Administration has reported, for example, that it has 300 excess (obsolete or no longer needed) nuclear facilities, and will have 100 more by 1981. E.R.D.A. estimated that it would take $25 to $30 million annually for 100 years—$2.5 to $3.5 billion—to decommission these facilities alone. And the G.A.O. thinks this estimate is too low.

Whatever the cost, who pays? No private utility is setting aside a fund for ultimate decommissioning costs. Current rates to consumers do not reflect whatever decommissioning will cost. The Nuclear Regulatory Agency does not require owners of nuclear facilities to develop specific plans or make financial provision for decommissioning.

Therefore, as has already happened at West Valley, Federal and state governments probably will have to pick up massive bills that ought to be paid by those who benefited. In effect future taxpayers will have to pay for current industry profits and relatively low current consumer rates.

It's clear enough why the costs and technology of decommissioning like those for the disposal of nuclear wastes, have been paid so little attention. For three decades, instead, the Government has moved precipitously ahead on the assumption that nuclear power was the great resource of the future, committing itself to that assumption to the exclusion of alternative energy programs as well as a proper concern for consequences now, inevitably, at hand.

Nor has Government policy changed, even now. President Carter seeks to restrain the use of breeder reactors and fuel reprocessing but calls for more light-water reactors. And the 1978 research budget for E.R.D.A. includes almost $1.7 billion for nuclear energy, but only $421 million for solar and geothermal energy—an imbalance of priorities that calls for another article.

THE OIL COMPANIES—"THEY ARE ME"

Mr. BELLMON. Mr. President, a retired gentleman from Virginia recently wrote a letter about oil companies to the editor of the Washington Post. It is a very calm piece of writing. The six, short paragraphs are void of the hot rhetoric which generally has comprised debate on the energy issue. The writer states simply what it has meant to him and, by extrapolation, to many others to be a part of the oil companies. I ask unanimous consent that the letter "The Oil Companies— 'They Are Me.' " be printed in the RECORD.

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

[From the Washington Post, Oct. 19, 1977]

THE OIL COMPANIES—"THEY ARE ME"

President Carter's senseless attack on "the oil companies" should be noted as political rhetoric only, as any brief analysis would show. Who are "the oil companies"? Well, they are me—I own 800 shares of Continental Oil (Conoco) stock, which I bought with money I saved while working, and the $93.33 that Conoco pays me every month helps a great deal now that I'm retired. Although lagging for a while, dividend increases lately have a bit more than matched the increase in cost of living.

Over the past 10 years, including those when Sen. Henry Jackson was calling "the oil companies" thieves, Conoco has sold $44.3 billion worth of products, has paid federal income taxes of $600 million and other taxes of $8.9 billions, and "other costs" have amounted to $32.6 billion. Net profits were $2.2 billion (5 per cent of sales), dividends were $800 million, and $1.4 billion were reinvested in the business. Those receiving dividends (the owners) were perhaps, on the average, in a 38 per cent tax bracket, so $300 million of the $800 million in dividends went to Uncle Sam, increasing his take from the business to $900 million and decreasing the owners' take to $500 million.

So Uncle got, income taxes alone, almost twice as much as the owners got in net income, total taxes paid by Conoco over the period were almost 20 times as much as the owners got from the business. During the 10 years, long-term debt increased by $600 million, so the owners borrowed more money than they got back in net income.

"Other costs" of $32.6 billion, the $1.4 billion reinvested, and the $600 million increase in long-term debt mostly went into jobs for people—you can't drill a hole in the ground or buy transportation or equipment without putting people to work. Certainly these figures represent hundreds of thousands of jobs.

So this is "the oil companies," fostered by private capital and existing in a competitive environment, paying 20 times as much in taxes as the owners get, and selling gasoline much more cheaply than it can be bought in most other major countries of the world. This is a rip-off?

What do the politicians offer us in return

if we accede to their demands that they be allowed to run the oil companies? Promises, intentionally vague promises, because they know little of the system they would destroy. But I know this, that when they destroy the oil companies they destroy me and hundreds of thousands of people like me. I am writing this letter because I object strenuously to being destroyed.—WILLIAM T. ST. CLAIR.

Berryville, Va.

EMPLOYING HANDICAPPED WORKERS

Mr. BURDICK. Mr. President, I would like to take this opportunity to salute GPK Products of Fargo, N. Dak., for their fine efforts in hiring the handicapped. As recipient of one of three national awards for their efforts, GPK Products provides an excellent example for all the Nation of what can, indeed, be done as to affirmative action. In submitting an article from The Forum of Fargo, I would like to underscore a comment made about GPK Products:

It is not that they treat people with problems in a special manner; it is the fact that they treat everyone the same.

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

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

IT'S A FARGO BUSINESS "WITH A LOT OF HEART"

(By Phil Matthews)

There is something about the atmosphere at GPK Products, Inc. in Fargo that doesn't quite fit the description of a typical industrial or business organization.

Beneath the hum of the band saws and mandrels, there is a spirit of camaraderie that is more like that of a family than a factory making pipe fittings.

And if you look closely into the personal lives of some of the employes on the assembly line, you will see some amazing success stories unfolding.

Brian Pavek went to work at GPK when he was 19 years old and not sure of his objective in life. But in 18 months time he had gone through a series of promotions and today he is a production supervisor for the company.

"This has been my only full-time job," said Brian, "but those who have had other jobs are amazed about this place. They say that it is more like a family than a place to work. They actually find that they enjoy what they are doing."

This special attitude toward the employes that seems to permeate the entire plant made a strong impression on Brian during an important, formative period.

"They are not producing only plastic pipe fittings," he said. "They are producing a positive attitude in all their employes."

And Kenneth Melin is a young man who may never have had the opportunity to join the job market if it were not for GPK Products Inc. He was a student at the Vocational Training Center in Fargo, an educational center for mentally retarded young people.

He started working at GPK last March and with some help from the production manager and fellow employes he became adept at operating a band saw and cutting plastic pipe sections to size.

Today he is working a full schedule and loves it.

"It's a lot better than being home all the time," he commented.

And as for the other workers in the plant, he said, "They are all my friends, now."

GPK Products, which manufactures plastic pipe fittings at 1917 1st Ave. N., is one of three American companies that will receive the top awards in the nation Oct. 27 for their efforts to hire and help mentally restored people.

The national Mental Health Association and the President's Committee on the Employment of the Handicapped have selected the three as Employers of the Year.

The other companies are Control Data Corp. of Minneapolis, which employs 32,000, and Cross Manufacturing Inc. of Lewis, Kan., with 600 employes.

GPK—the initials stand for the names of the original owners of the company—was cited for being "extremely progressive" in its approach to employment by the Southeast Mental Health and Retardation Center in Fargo.

David Kuehl, a social worker at the Southeast agency at the time, said GPK would call him when they would have some openings coming up.

"When the unemployment rate was high, that sort of helped my clients get the jump on the other guy," said Kuehl. "Many of the other guys probably were better qualified, or at least were better risks for the job."

He said that the atmosphere at the company is conducive to growth of an individual and to the development of healthy attitudes.

Some of the people who have been referred by Southeast have had serious psychological or psychiatric problems.

"Whereas some employers wouldn't touch one of my clients with a 10-foot pole," said Kuehl, "I knew I could send one over to GPK and even if they did not have an opening, I knew that they would interview him. It was a safe place for me to refer him."

Albert Hisley, director of job placements at the Vocational Training Center in Fargo, said, "I can't say enough about those people at GPK. They show a great willingness to help someone become a success. If someone comes along here and I figure he can hack it, I will call them up. I know that he will get good training with Don Goering and Spence Hildre."

He said some companies that hire people with special problems are not as successful as GPK because they do not work them into the organization in the same way.

"We're grateful to have a company like that here," said Hisley.

"And of course, they know that when they have an employe from the Vocational Training Center the company will have a good, loyal employe. He will always be there. That's a typical business outlook, true. But it's a business with a lot of heart."

The "high voltage line" at GPK, as Brian Pavek calls him, is general manager Donald Goering, who transmits a powerful signal of concern for human beings to his staff and employes.

Goering and his partner, Michael Pflugrath, launched the company five and a half years ago and it has doubled its volume annually since. Today it has 50 employes and distributes its plastic sewer pipe fittings to 50 states and many foreign countries.

"This has been the greatest opportunity I have had in my life," said Goering of the GPK business venture. "And because I have had this opportunity, I have wanted to try to help others have their opportunity."

He believes that the company's success is the direct result of an enlightened attitude toward the employes.

"I have tried to impress on them that the company won't succeed unless they are part of it. Success depends on good quality production and on good people building the products and standing behind them. If the two grow hand in hand, your company will continue to grow. And in this business, the sky's the limit."

Goering's two right-hand men who translate his philosophy into action are the office manager, Spencer Hildre, and the production manager, Clark Roscoe.

Roscoe was the first employee of the company, and he takes pride in the fact that the special machines and production systems have been designed specifically within the plant to suit GPK's special needs.

He works closest of all with the employes who work on the band saws, and gasket heads and mandrels and has personally helped some with special problems that have come from the agencies.

"Some times it does take a little longer for them to catch on," he said. "But on the other hand they are always trying to do exceptionally good work. They want to prove themselves."

Roscoe said the company staff talked over the prospect of hiring personnel from some of the local agencies.

"What could we lose attempting to give somebody a chance to do a good job? It was well worth it. We have got some loyal, permanent employes as the result."

As for their productive capacity, he said some of the employes from the agencies are producing near the capacities of the employes in the plant who have had no problems.

In citing GPK for the national Employer of the Year award, it was said, "It is not that they treat people with problems in a special manner; it is the fact that they treat everyone the same."

This point was mentioned by Spencer Hildre, who as office manager sees most of the employes as job applicants first.

"We had talked with our regular employes about our plans to hire some people from the agencies. We suggested that they should not give them a hard time and not treat them as being different. Give them a fair shake."

He said that the appeal for cooperation from the group seemed to work out very well.

"Possibly that's one of the keys to our success. We don't baby them. We treat them like everyone else, and they're pleased with that. We have lost just one guy who didn't work out."

BALTIMORE SUN DISCUSSES COMMERCIAL IMPACT OF PANAMA CANAL TREATIES

Mr. HELMS. Mr. President, one of the least discussed aspects of the Panama Canal treaties is the impact which those treaties will have upon the U.S. consumer, shipper, farmer, and jobholder.

The economics of the Panama Canal are complex. They can easily be unsettled by very minute readjustments of costs—costs which include not only canal tolls, but also costs in extended shipping time, uncertainty, and breakdowns. If the canal is closed, if the tolls are increased, or if the operation becomes inefficient or uncertain, then there will be an adverse multiplier effect throughout the U.S. economy, with some regions bearing the brunt in terms of jobs, hardships, and lower incomes.

It is already admitted that the terms of the treaties will require an immediate increase in tolls of at least 25 percent and more probably at least 40 percent. The exact amount and the projected impact will not be known until a formal study is completed in January. A study made in 1974 showed that the maximum practical increase in tolls at that time was 75 percent. Since then tolls have been increased 3 times amounting to a 50-percent increase. It seems clear that the current proposals will require a toll level substantially in excess of the 1974 limitation.

Mr. President, the Baltimore Sun, which is published in one of the Nation's leading port cities, is perhaps more sensi-

tive to the realities of the waterborne commerce trade than other newspapers of note. Last Sunday, it published a major article on the commercial impact of the Panama Canal treaties written by Joseph S. Helewicz and James A. Rousmaniere, Jr. It is the first important review of these issues in the press that has come to my attention, and I recommend it to all of my colleagues.

Mr. President, I ask unanimous consent that the article from the Baltimore Sun, entitled "The Panama Canal: Who'll pay the freight?", be printed in the RECORD.

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

[From the Baltimore Sun, Oct. 23, 1977]

(By Joseph S. Helewicz and James A. Rousmaniere, Jr.)

The automobiles we drive. The fuels that heat our homes. The fruit we eat for breakfast. And the televisions which provide our entertainment.

Many of these products come through the Panama Canal. Lately, some of the producers of these goods, and some of the shippers who transported them, have begun to rethink ways of moving the products to us.

They are thinking of avoiding the canal—for economic reasons.

In all the brouhaha in recent months over the Panama Canal and its importance to national security, hardly any word has been said on what the treaty means to the movement of goods from wellhead and factory through the 50-mile canal to us, the consumers.

When the subject is discussed, it is almost always as a consequence of a political event: the closing of the canal. The assumption is that if the canal is not closed, commerce—all 120 million tons a year—will flow unabated through the system of locks and channel.

The economics of canal traffic is more complex than that. The immense commerce flowing through the isthmus has a different stake for everyone, and that includes the consumer.

Those stakes are vital—they involve business and money and jobs. Just how they will be affected is not clear at the moment.

Consumers, the ones who always get it in the end, do not know and they likely will remain in the dark as long as the economic issues are given short shrift.

Carter administration officials have done little to put the matter on the front burner. Their talk of the economic impact of the treaty has been on the order of a put-down.

For example, Sol M. Linowitz, the principal treaty negotiator, has been quoted as saying the canal is "economically obsolescent" to United States interests. And hardly any of the businesses which rely on the canal are stepping forward to challenge that line of thinking.

Yet in recent weeks, business interests such as those in the maritime industry and others have become critical and outspoken on the treaty, and more is on the horizon.

Some have stepped forward before, specifically to oppose toll increases set by the Panama Canal Company, a U.S. government unit. Predictably, some are complaining about tolls again. There is a difference this time around, however.

The principal outside economic consultant who is working on the treaty confided in an interview that he is having reservations, indeed grave concerns, over the ultimate impact of higher tolls at the canal.

The concerns may be hard to grasp. Toll rates for ships can range from $15,000 to $40,000 for each transit. At current rates, the toll's impact is comparatively miniscule.

The effective toll on the shipment of a 40-pound box of bananas is 8.2 cents; a ton of sugar has a toll cost of only 85 cents; a barrel of crude oil has a toll rate of 14.8 cents, hardly enough to show up at the grocery counter or the gas pumps.

Nevertheless, some industries are worried. Shippers of bulk products, such as grain and coal out of the country's heartland for delivery to East Asia, are concerned that tolls are already at the breaking point.

They fear that another increase, coming on top of three increases in the past few years, will make the canal an uneconomical route for shipping.

Further, they contend that once the Panamanians get full control of the canal, it will be difficult to predict the levels of rate increases in years to come.

Recently, some shipping interests have begun to look seriously for alternate ways to get their products from the Pacific to the Atlantic, and vice versa, in an effort to remain competitive. That means holding down the costs of getting the product to the consumer.

The producers of North Slope Alaskan oil, for instance, have begun an earnest drive to build a $500 million pipeline that will carry their crude from receiving terminals in California to refineries in Texas.

The pipeline, which is facing environmental opposition, is an alternative to shipping through the Panama Canal to the Gulf Coast.

In addition, steamship lines are experimenting with the Suez Canal as an alternative to using the Panama access to the lucrative South Pacific markets.

Shipping companies also are engaging in innovative combinations of rail and ship services to entice producers, like the billion-dollar European wine and liquor business, into shipping their goods through the Gulf Coast ports and the railroads to the West Coast, instead of through the canal.

Ecuador, one country which relies heavily on the canal for imports and exports, may be forced to relocate an entire market for one of its principal export products—the banana.

The country's low-profit banana export trade may not be able to swallow continued toll increases, economists say. Japan, it happens, is beginning to develop a taste for the fruit, so there is hope for the Ecuadorian plantations.

While this looking for alternative routes and markets is going on, few individual businesses are playing to the public with their concerns about the canal's future.

For example, instead of asking to testify in Washington on the treaty, some shipping executives have gone quietly to the federal negotiators to influence the course of bargaining.

These same interests have not asked to air their concerns before the Senate Foreign Relations Committee, which is holding hearings on the treaty issues.

A senior staff member of the committee said last week that he was "surprised" no commercial interests have stepped forward.

Two of the most elite business organizations in the United States, whose members presumably would benefit from happy neighbors to the South, have decided to avoid a public position.

The Business Roundtable, a group of 160 heads of the top companies in the country, decided against publicly supporting the treaty, though the group's leader and Carter confidant, Irving S. Shapiro, chairman of du Pont de Nemours & Co., individually asked members to voice support.

The Council of the Americas, a group of 230 industries which controls 90 per cent of private U.S. investment in Latin America, likewise has not taken a position on the current documents, and it may never do so, according to one source.

The business concerns over the treaty are varied. And so are the reasons for not going to a public forum with complaints.

Maritime executives, for example, have said privately that it would be poor timing to make a pitch to Congress for help. The industry, and specifically maritime labor, has been accused of attempting to buy members of Congress through campaign contributions.

There are other reasons why commercial interests have not spoken up:

Ely Brandes, an economist and consultant to the Panama Canal Company, who now is examining the treaty, attributed the silence to human failings.

"There are very few people in any line of business who have tried to face a problem before it came upon them."

For some industries, like the coffee traders, the impact of toll increases is insignificant.

"It is just one more nail (in the coffin), said one disgruntled official of a major commodity importer.

William Merrill Whitman, retired secretary to the canal company, and treaty critic, said commercial interests "have been lulled into a feeling of security by the State Department, which wants to get the treaty through."

The whole discussion of the economic issue hinges on what tolls will be charged, and who will pay. Everyone agrees that tolls will increase, but the range of estimates is wide open.

Predictions run to a gradual 25 per cent increase through the end of the century, the view of treaty supporters, to more than 300 per cent, foreseen by the pact's harshest critics.

The canal, completed in 1914, operated for 60 years with no toll increases at all and has had only 3 in its history, all coming since 1974, when the waterway was losing money.

Some experts point out that those increases have had profound impacts on world markets, such as forcing producer to seek out new, and unanticipated, buyers.

For example, Peru used to ship large volumes of iron ore through the canal to East Coast steelmakers, but now it hardly ships any. Peru found it could not compete with ore from Venezuela, Liberia and Brazil, cargoes that do not have to be shipped through the canal.

Fortunately for Peru, it found a waiting Japanese market for its ore. An ironic twist is that the iron going to the Japanese is being made into steel that now is haunting American producers and their work forces.

The canal toll increases also served in part to create a new method of shipping cargoes from the Far East to the Midwest, via the West Coast.

Known as "mini-land bridge," ships and rails combine to carry products over the seas and over the Rockies. The service diverts shipments from the all-water canal route, as well as more expensive East Coast ports.

That is what toll increases have done in the past. As for the future, there is wide-ranging conjecture. In the flux of discussion, treaty critics have made mind-boggling estimates on toll increases and potential economic impacts.

Some of their statements have provided an illuminating look at how government officials involve themselves as commentators on complex issues.

For example, Richard C. Turner, the attorney general of Iowa who unsuccessfully filed suit to block the treaty, contends tolls will increase from 300 to 500 per cent.

"Iowa is the second-largest exporter of feed grains and soybeans in the United States," he said in an interview. "The toll increase is going to have a tremendous effect on us. It's going to price some of the farmers out of the market."

When asked where he got his percentage

estimates, Mr. Turner said he read the figures in a newsletter circulated by Representative Neal Smith (D., Iowa), who served on a House Appropriations subcommittee that was looking into the costs of treaty negotiations.

An aide to Representative Smith said the legislator heard the estimate while on the subcommittee's trip to Panama a year ago. Mr. Smith did not pursue the matter. "It was just a projected fear," the aide said.

Another state attorney general, Evelle J. Younger of California, made a smillar warning of economic disaster in a public release last month.

When pressed for supporting data on the warning, an aide could only reply, "Gee, I think he got that from a speech [Ronald] Reagan made. I'm not sure."

For its part, the Carter administration, which is pushing the treaty, has shed little light on the potential economic impact.

Farmers called to Washington in September by Bob S. Bergland, the Secretary of Agriculture, were told tolls might increase 25 per cent over the next 22 years.

Panama Canal Company sources, on the other hand, say tolls will increase immediately by as much as 40 per cent.

A State Department official said tolls would not be allowed to go "beyond the point of diminishing marginal returns."

That level is not now known, but Mr. Brandes, the consultant, says that level is nearly at hand.

The California-based economist said in an interview that he was heartened by signs that both sides on the treaty talks recognized that the canal can only produce so much revenue.

"Previous studies," he added, showed "that you can go four times up."

How far up can tolls go now? Mr. Brandes, who will complete a study on the matter early next year, is not sure. But he cautioned, "There's a danger. We're not very far from the point where we will get declining returns."

The steamship operators, the industry that stands to be affected most directly by canal toll increases, agrees with Mr. Brandes' line of thinking. They believe the tolls have hit the limit, but their ranks are split on how to address the issue.

Extreme friction between steamship operators who use the canal and those who ply other routes was played to its fullest at this month's meeting of the National Propeller Club, a major maritime trade group, which met in Galveston, Texas.

The group easily voted through resolutions for a bevy of federal subsidy programs, but when it came to the canal treaty, the best the members could do was pass a loosely worded resolution calling for construction of a second canal.

Port operators have been more assertive. The Gulf Ports Association, whose members rely heavily on the grain export business, appealed directly to President Carter to defer implementing the treaties.

The group's members are concerned that toll increases in the 30 percent range will price American farmers and exporters out of the international grain sales business and, thus, eliminate the fallout they get from the trade.

The fallout is substantial and varied: more business, stable employment and higher taxes to their communities.

Gulf port administrators say that countries like Canada and Australia, which will not have to contend with the economics of the Panama Canal, will be placed at a definite pricing advantage over American grain producers.

Meanwhile, the Association of American Port Authorities, which represents port operators in the entire Western Hemisphere, including Panama, expects to take some sort of position on the treaty at an upcoming meeting in Mexico City.

The group will have trouble reaching a unanimous position because it includes Canadians and Latin Americans who, unlike American port operators, are unwilling to commit themselves on what they view as a political issue.

American port operators are like everyone else in this debate. They cannot agree on the economic issues because those issues are so broad and perplexing.

One reason is that the forces of economics are so varied. But there is one undisputable economic fact of life: When costs rise, the consumer pays.

Consider this scenario. If the canal's tolls rise, or if the waterway is poorly operated, shipments could be diverted to other markets or routes.

It is a scenario in which one mode of transportation, waterborne shipping, would lose, along with the immense benefits associated with ports, ranging from substantial tax revenues to paychecks for longshoremen.

Competitors of steamship lines, such as the railroads, would win, becoming the beneficiaries of diverted business. In addition, traditional markets could fall by the wayside while new ones are created.

This is but one of many scenarios that make up the big picture of international commerce.

At the end, the consumer may ask: "Should I be concerned how my clock radio comes to me?"

Under the din of political debate over strategic controls, hemispheric influence and ownership rights, basic economic questions like this have not been asked. The economic ties—the delivery of products—are the closest ties individuals may have to the Panama Canal.

WATERWAY USER CHARGE TESTIMONY

Mr. HUDDLESTON. Mr. President, on Friday of last week I testified before the Senate Finance Committee on the waterway user charge issue now before the Senate. I ask unanimous consent that my testimony be printed in the RECORD.

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

TESTIMONY OF SENATOR HUDDLESTON

Mr. Chairman, this committee has under consideration today a very reasonable compromise of a number of difficult and controversial issues. The Navigation Development Act, H.R. 8309, was sent to the Senate by an overwhelming vote of 331–70 in the House. It clears for construction the replacement of Lock and Dam 26 at Alton, Illinois, eliminating a bottleneck which has been unnecessarily adding to the costs of moving traffic throughout the Midwest. At the same time, it imposes a fuel tax of 4 cents a gallon on barge lines and their customers. The tax rises to 6 cents in 1981.

Efficient transportation is, of course, crucially important to the economic well-being of any region, and lucky is the area in which rail, water, truck and pipelines compete because effective competition produces the lowest price for the consumer and the best quality of service.

Kentucky has more navigable waterways than any other state, except Alaska, but at the same time, it relies on efficient rail, truck and pipeline service as well. I have and will continue to support each of these modes.

I have also long supported the concept that barge lines and their customers should make a contribution to the cost of maintaining the waterways, but none of us would want to impair the constructive contributions water transportation makes to the over-riding national goals of fighting inflation and conserving energy.

The question of whether or not there will be some cost recovery has already been settled. The only remaining question is how much, and what the effect of that charge or tax will be. Or, put another way, how much can we tax the water transportation industry without driving substantial amounts of traffic off the waterways and thus destroying a vital mode of transportation.

The thing that must be kept in mind is that water transportation, unlike other modes, cannot offer speed of delivery or door-to-door delivery. It offers one primary advantage—low cost for moving bulk commodities. If it loses that advantage, it will have lost its appeal and its traffic.

In breaking precedent with the traditional toll-free policy maintained by our government for over 200 years, we are risking many unknowns. That is why I think we should proceed with caution and with full knowledge of the facts. I am reassured by the fact that this bill calls for an in-depth study of the impact of waterway taxes.

Navigation improvement has been one of the nation's great success stories. Few success stories can match those of the rivers serving Kentucky. The Ohio River canalization project, for example, was authorized in 1910 anticipating 13,000,000 tons of traffic annually. In 1975, Ohio River tonnage exceeded 140,000,000 tons. The Tennessee canalization project anticipated annual tonnages of about 13,000,000 and in 1975 carried 28,300,000 tons. The Cumberland project was authorized for an anticipated tonnage of 2,200,000 in 1946 and carried 11,800,000 tons in 1975. The Green River project was authorized in 1954 for an anticipated tonnage of 5,400,000 and carried in 1975 15,900,000 tons.

This remarkable development has had a highly positive effect on the growth of the economy of Kentucky and of the region. It has stimulated billions of dollars in private investment in industry and agriculture, producing the kind of local payroll that all communities desire. It has called forth investment by local cities and towns in river port and terminal facilities, many of them financed by local bond issues backed by anticipated future traffic.

Having established the precedent of cost-sharing in this bill, I think it is now urgent to study in depth the impact of this tax and any future escalation.

There are many complex issues. Who are the ultimate beneficiaries of navigation investment? What will the impact of various levels of barge taxes be on rates of competing modes? What will the impact be on farm income, on balance of payments, on our troubled steel industry?

To what extent does navigation development, which stimulates the entire economy, also stimulate business opportunities for competing transport modes? How do direct and indirect federal aid compare as between modes and is there any unfairness as between modes? And, above all, how can we move toward a comprehensive and neutral transportation policy?

Kentucky is an inland state and I must confess to concern that shallow draft navigation appears to be singled out for a tax while deeper draft and Great Lakes facilities are exempted.

Another unfortunate aspect of this particular legislative situation, in my opinion, is that in some minds it has developed into a contest between the barge companies and the railroads.

That is exactly what is wrong with much of our transportation policy in this country. We pit one mode against another rather than searching for a common, integrated system which gives this country the full advantages of each, while promoting competition and efficiency.

We need a national transportation policy, and we also need some kind of overall trans-

portation account within the Department of Transportation to assure that all modes are treated fairly, that they have equal access to capital, that competitive equity is maintained, and that each mode is used to its full potential.

I am hopeful that the institution of some cost-recovery on the waterways will be a step in that direction, that it will diminish the propensity to pit one mode against the other, and that it will promote an integrated transportation policy.

But the question here today, as I said, is how much should we tax the water transportation industry. I favor the principle of cost sharing, but I think there is nothing to be lost and everything to be gained by adopting a maximum fuel tax of 6 cents a gallon at this time, and saving escalation until all the relevant facts outlined in the study proposal can be evaluated.

I had rather be cautious now than be sorry later.

MR. EVAN FARBER

Mr. BAYH. Mr. President, I would like to draw my colleagues' attention to an important development in the career of one of Indiana's outstanding citizens. Mr. Evan Farber, head librarian of Earlham College in Richmond, Ind., has been named vice president and president-elect of the Association of College and Research Libraries Division of the American Library Association. This organization counts all types of scholarly libraries in its membership, including large ones such as the Boston Public Library and the New York City Library. The current membership is 9,000.

In being elected to the office of president, Mr. Farber has received a rich and well deserved honor. It serves as recognition for the fine work he has performed over the years at the Lilly Library at Earlham, a highly regarded user-centered scholarly library. As vice president of the association, he will plan for the 1978 convention over which he will preside as president. The convention will be held in Boston in November.

The Association of College and Research Libraries promotes academic librarianship through programs which include diversification and evaluation of books and nonbook written material. I take pride in the selection of Mr. Farber, from one of Indiana's finest private colleges, as the president elect of this organization and applaud his accomplishment.

NOTICE CONCERNING NOMINATION BEFORE THE COMMITTEE ON RULES AND ADMINISTRATION

Mr. CANNON. Mr. President, the following nomination has been referred to, and is now pending before, the Committee on Rules and Administration.

Sam Zagoria of Maryland to be a member of the Federal Election Commission for a term expiring April 30, 1983.

On behalf of the Committee on Rules and Administration, notice is hereby given to all persons interested in this nomination to file with the committee in writing, on or before Friday, October 28, 1977, any representations or objections they may wish to present concerning the above nomination with a further statement whether it is their desire to appear at any hearing which may be scheduled.

NOTICE CONCERNING NOMINATION BEFORE THE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, the following nomination has been referred to and is now pending before the Committee on the Judiciary:

David T. Wood, of Guam, to be U.S. attorney for the district of Guam for the term of 4 years vice Duane K. Craske, resigned.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in this nomination to file with the committee, in writing, on or before Tuesday, November 1, 1977, any representations or objections they may wish to present concerning the above nomination with a further statement whether it is their intention to appear at any hearing which may be scheduled.

NOTICE CONCERNING NOMINATION BEFORE THE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, the following nomination has been referred to and is now pending before the Committee on the Judiciary:

George L. Miller, of North Carolina, to be U.S. marshal for the middle district of North Carolina for the term of 4 years vice P. Ellis Almond.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in this nomination to file with the committee, in writing, on or before Tuesday, November 1, 1977, any representations or objections they may wish to present concerning the above nomination with a further statement whether it is their intention to appear at any hearing which may be scheduled.

PRIVILEGE OF THE FLOOR—H.R. 5263

Mr. PERCY. Mr. President, I ask unanimous consent that Chris Palmer and Ronald La Noue of the Governmental Affairs Committee have the privilege of the floor during debate and rollcalls on H.R. 5263.

The following Senators requested and, by unanimous consent, the privilege of the floor was granted in behalf of the following staff members: Mr. JAVITS: Gary Klein; Mr. HATCH: Andrew Gray Nokes; Mr. CASE: Jack Vandenberg; Mr. CANNON: Aubrey Sarvis; Mr. ZORINSKY: Lew Ashley; Mr. BAYH: Nels Ackerson; Mr. RIEGLE: Susan Poor; Mr. DECONCINI: Jim Magner; Mr. BROOKE: Meg Power; Mr. DOMENICI: Charles Gentry and Letitia Chambers; Mr. ANDERSON: Susan Martel; Mr. MATHIAS: Joseph DiGenoa; Mr. SCHMITT: Hayden Bryan.

SACCHARIN STUDIES

Mr. KENNEDY. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 1750.

The PRESIDING OFFICER (Mr. SARBANES) laid before the Senate the amendments of the House of Representatives to the bill (S. 1750) to amend the Public Health Service Act and the Federal Food, Drug, and Cosmetic Act, as amended, to conduct studies concerning toxic and carcinogenic substances in foods, to conduct studies concerning saccharin, its impurities and toxicity and the health benefits, if any, resulting from the use of nonnutritive sweeteners including saccharin; to ban the Secretary of Health, Education, and Welfare from taking action with regard to saccharin for 18 months, and to add additional provisions to section 403 of the Federal Food, Drug, and Cosmetic Act, as amended, concerning misbranded foods.

(The amendments of the House are printed in the House proceedings of the RECORD of October 17, 1977.)

Mr. KENNEDY. Mr. President, I move that the Senate disagree to the amendments of the House of Representatives to S. 1750 and request a conference with the House of Representatives on the disagreeing votes of the two Houses thereon, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. KENNEDY, Mr. WILLIAMS, Mr. PELL, Mr. HATHAWAY, Mr. NELSON, Mr. RIEGLE, Mr. JAVITS, Mr. SCHWEIKER, Mr. CHAFEE, and Mr. HAYAKAWA conferees on the part of the Senate.

PENDING QUESTION

Mr. ROBERT C. BYRD. Mr. President, what is the pending question before the Senate?

The PRESIDING OFFICER. The pending question is the committee amendment in the nature of a substitute to H.R. 5263.

Mr. ROBERT C. BYRD. I thank the Chair.

AUTHORITY FOR COMMITTEE ON THE JUDICIARY TO MEET DURING THE SENATE SESSION TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate tomorrow, to consider the revision of the Criminal Code.

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

RELEASE OF DOCUMENTS AND FILES OF THE PERMANENT SUBCOMMITTEE ON INVESTIGATIONS (S. RES. 304)

Mr. ROBERT C. BYRD. Mr. President, I call up a resolution reported earlier today by Mr. JACKSON, and I ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated by title.

The legislative clerk read as follows:

A resolution (S. Res. 304) to permit withdrawal and release of certain documents from the files of the permanent Subcommittee on

Investigations of the Committee on Governmental Affairs.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the resolution (S. Res. 304) was considered and agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

Resolved,

To permit withdrawal and release of certain documents from the files of the Permanent Subcommittee on Investigations of the Committee on Governmental Affairs;

Whereas, the Swedish Embassy has formally requested by letter dated October 12, 1977, that copies of any stock certificates of American International Distributors, Inc., a Colorado corporation, in the possession of the Permanent Subcommittee on Investigations, be released to them in connection with a criminal action pending in Sweden against Franklin Peroff;

Whereas, the Permanent Subcommittee on Investigations obtained a copy of one such stock certificate during the course of its authorized investigation into allegations by Franklin Peroff;

Whereas, by the privileges of the Senate of the United States and by Rule XXX of the Standing Rules of the Senate, no documents or materials secured by the Senate may be revealed without the consent of the Senate: Therefore, be it

Resolved, That the Permanent Subcommittee on Investigations of the Committee on Governmental Affairs is authorized to withdraw and release to the Swedish Embassy copies of any stock certificates of American International Distributors, Inc., a Colorado corporation, in its files.

SEC. 2. The Secretary of the Senate shall transmit a copy of this Resolution to Mats Elgqvist, Counselor, Swedish Embassy, Suite 1200, 600 New Hampshire Avenue, NW., Washington, D.C. 20037.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

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

The motion to lay on the table was agreed to.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider the nominations on the Executive Calendar under "New Reports."

There being no objection, the Senate proceeded to the consideration of executive business.

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

DEPARTMENT OF JUSTICE

The second assistant legislative clerk read the nomination of Wallace P. Bowen, of Oregon, to be U.S. marshal for the district of Oregon.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. ROBERT C. BYRD. I move to reconsider the vote by which the nomination was confirmed.

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

The motion to lay on the table was agreed to.

The second assistant legislative clerk read the nomination of Archie P. Sherar, of Washington, to be U.S. Marshal for the eastern district of Washington.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. ROBERT C. BYRD. I move to reconsider the vote by which the nomination was confirmed.

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

The motion to lay on the table was agreed to.

The second assistant legislative clerk read the nomination of Isaac George Hylton, of Virginia, to be U.S. marshal for the eastern district of Virginia.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. ROBERT C. BYRD. I move to consider the vote by which the nomination was confirmed.

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

The motion to lay on the table was agreed to.

The second assistant legislative clerk read the nomination of Harry H. Marshall, of Illinois, to be U.S. marshal for the Southern District of Illinois.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. ROBERT C. BYRD. I move to reconsider the vote by which the nomination was confirmed.

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

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nominations.

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

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate resume the consideration of legislative business.

There being no objection, the Senate resumed the consideration of legislative business.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will meet tomorrow morning at 9:30, and at 10 o'clock, or thereabouts, or earlier perhaps, will resume its consideration of the energy tax bill. Senators with amendments should be ready and be on hand to offer them so that the Senate can make progress on that bill tomorrow.

I would anticipate lengthy sessions during the week. It is the intention and hope of the leadership that the Senate can complete action on the energy tax bill this week. If action is not completed by the close of business Friday, the Senate will, by necessity, be in session on Saturday.

If the action is completed on the energy tax bill this week, it is intended by the leadership to take up, next week, the remaining measures which have to be considered and action thereon completed, such as the supplemental appropriations bill and other measures which are considered must measures. If the Senate is able to complete action on those measures next week, then, as I have indicated earlier, in accordance with the consultations I have had with the distinguished minority leader and the Speaker of the House, it will be the intention of the leadership to put the Senate into 3-day recesses awaiting various conference reports on the energy bill and other matters that are in conference.

UNFINISHED BUSINESS

Mr. ROBERT C. BYRD. Mr. President, the pending business, I believe, is the energy tax bill. Is that correct?

The PRESIDING OFFICER. The Senator is correct. That is the unfinished business.

Mr. ROBERT C. BYRD. I thank the Chair.

RECESS UNTIL 9:30 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until 9:30 a.m. tomorrow.

The motion was agreed to; and at 6:46 p.m. the Senate recessed until tomorrow, Wednesday, October 26, 1977, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate October 25, 1977:

DEPARTMENT OF DEFENSE

Harold W. Chase, of Minnesota, to be Deputy Assistant Secretary of Defense for Reserve Affairs, vice Will Hill Tankersley, resigned.

DEPARTMENT OF JUSTICE

David T. Wood, of Guam, to be U.S. attorney for the district of Guam for the term of 4 years, vice Duane K. Craske, resigned.

DEPARTMENT OF DEFENSE

William J. Perry, of Virginia, to be Under Secretary of Defense for Research and Engineering (new position).

THE JUDICIARY

Elsijane Trimble Roy, of Arkansas, to be U.S. district judge for the eastern and western districts of Arkansas, vice Oren Harris, retired.

DEPARTMENT OF JUSTICE

Gerald D. Fines, of Illinois, to be U.S. attorney for the southern district of Illinois for the term of 4 years, vice Donald B. Mackay, resigned.

Audrey A. Kaslow, of California, to be a Commissioner of the U.S. Parole Commission for the term of 6 years, vice Paul A. Tennant, term expired.

FEDERAL ELECTION COMMISSION

Samuel D. Zagoria, of Maryland, to be a member of the Federal Election Commission for a term expiring April 30, 1983, vice William L. Springer, term expired.

IN THE AIR FORCE

The following officers for appointment in the Reserve of the Air Force to the grade indicated, under the provisions of chapters 35, 831 and 837, title 10, United States Code:

To be major general

Brig. Gen. William J. Crisler, [redacted] FG, Air National Guard of the United States.

Brig. Gen. Billy M. Jones, [redacted] FG, Air National Guard of the United States.

To be brigadier general

Col. Jose A. Bloise, [redacted] FG, Air National Guard of the United States.

Col. Joseph M. Cheshire, [redacted] FG, Air National Guard of the United States.

Col. Calvin M. Edwards, [redacted] FG, Air National Guard of the United States.

Col. William P. Gast, [redacted] G, Air National Guard of the United States.

Col. James C. Hise, [redacted] G, Air National Guard of the United States.

Col. John L. Hoar, [redacted] G, Air National Guard of the United States.

Col. Billie G. Hollowell, [redacted] FG, Air National Guard of the United States.

Col. Raymond E. Lilley, [redacted] FG, Air National Guard of the United States.

Col. Robert A. Neal, [redacted] FG, Air National Guard of the United States.

Col. Ben. L. Patterson, Jr. [redacted] FG, Air National Guard of the United States.

Col. Philip W. Strope, [redacted] FG, Air National Guard of the United States.

Col. Marvin A. Thorson, [redacted] FG, Air National Guard of the United States.

IN THE AIR FORCE

The following officers for promotion in the Air Force Reserve, under the provisions of sections 8376 and 593, title 10, United States Code:

LINE OF THE AIR FORCE

Lieutenant colonel to colonel

Saur, Walter L., [redacted].

MEDICAL CORPS

Berrick, William H., [redacted].
Buckingham, John C., [redacted].
Calene, James G., [redacted].
Dissen, Paul T., [redacted].
Guerdan, Donald C., [redacted].
Makant, Joseph E., Jr., [redacted].
Martinez, Gerardo H., [redacted].
McGranahan, Thomas C., [redacted].
McKechnie, William G., [redacted].
Queen, Charles R., [redacted].

LINE OF THE AIR FORCE

Major to lieutenant colonel

Denton, David L., [redacted].
Frazier, Thomas E., [redacted].
Perrin, James E., [redacted].
Pritchett, Charles D., [redacted].

MEDICAL CORPS

Banez, Ramon V., [redacted].
Hafermann, David R., [redacted].
Miranda, Cesar P., [redacted].
Richter, Jaroslav K., [redacted].
Strine, James A., [redacted].
Young, Jerome M., [redacted].
Zaayer, Dolph W., [redacted].

NURSE CORPS

Thomason, Loretta C., [redacted].

BIOMEDICAL SCIENCES CORPS

Winans, Lawrence F., [redacted].

The following Air Force officer for promotion in his temporary grade under the provisions of chapter 839, title 10, United States Code:

MEDICAL CORPS

Lieutenant colonel to colonel

Niles, James E., [redacted].

The following officers for appointment in the Regular Air Force, in the grades indicated, under the provisions of section 8284, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform the duties indicated, and with dates of rank to be determined by the Secretary of the Air Force:

MEDICAL CORPS

To be colonel

Goslin, Fred B., [redacted].

To be first lieutenant

Gerber, William R., [redacted].

DENTAL CORPS

To be first lieutenant

Martin, Dwayne K., [redacted].
McDonald, Daniel K., [redacted].
Morgan, Richard A., [redacted].
Panzek, John T., [redacted].
Yarbrough, Steven L., [redacted].

The following persons for appointment as Reserves of the Air Force, in the grade indicated, under the provisions of section 593, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform the duties indicated:

MEDICAL CORPS

To be lieutenant colonel

Abbott, Kenneth H., [redacted].
Acuff, Calvin C., [redacted].
Anton, Achilles P., [redacted].
Armbrustmacher, Vernon P., [redacted].
Beddingfield, George W., [redacted].
Burns, Robert R., [redacted].
Cline, Albert H., [redacted].
Gibson, Gordon L. M., [redacted].
Gordon, Robert E., Jr., [redacted].
Hampton, John R., III, [redacted].
Hirsch, Bernard H., [redacted].
Janes, Robert G., [redacted].
Johnson, Robert M., [redacted].
Kennedy, James J., III, [redacted].
Legris, Samuel F., [redacted].
Lemley, Cleatis D., [redacted].
Purcell, Merlin A., [redacted].
Sproch, Richard M., [redacted].
Stamer, John P., Jr., [redacted].
Stanton, Eugene S., [redacted].
Telefeian, Artin, [redacted].
Tompkins, Norman T., [redacted].

The following person for appointment as a Reserve of the Air Force (ANGUS), in the grade indicated, under the provisions of sections 593 and 8351, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform the duties indicated:

MEDICAL CORPS

To be lieutenant colonel

Lindstrom, Eric E., [redacted].

The following person for appointment as a Reserve of the Air Force, in the grade indicated, under the provisions of section 593, title 10, United States Code:

LINE OF THE AIR FORCE

To be lieutenant colonel

Layman, John R., [redacted].

IN THE ARMY

The following-named officers for promotion in the Army of the United States, under the provisions of title 10, United States Code, sections 3442 and 3447:

MEDICAL CORPS

To be lieutenant colonel

Adaniya, Roy S., [redacted].
Albus, Robert A., [redacted].
Ascher, Michael S., [redacted].
Bailey, John D., [redacted].
Bailey, Tarver B., [redacted].
Balison, Jeffrey R., [redacted].
Ballard, Clark T., [redacted].
Barrow, Emile A., [redacted].
Baxley, John B., [redacted].
Beck, Phillip H., [redacted].
Bellafiore, Vincent A., [redacted].
Belts, Richard P., [redacted].
Berenberg, Jeffrey L., [redacted].
Bernier, Barre S., [redacted].
Boedeker, Edgar C., [redacted].
Bornemann, Michael, [redacted].
Bothwell, Roger S., [redacted].
Brahman, Herbert D., [redacted].
Brahman, Sherry L., [redacted].
Branly-Gomez, Rolando, [redacted].
Brewster, Frank A., [redacted].
Broadnax, Gary B., [redacted].
Brown, Frederick B., [redacted].
Buda, Francis B., [redacted].
Burkhalter, Edward, [redacted].
Butler, Hugh W., [redacted].
Butterfield, Patrick, [redacted].
Byrne, Richard R., [redacted].
Caldwell, Michael D., [redacted].
Carter, Elizabeth J., [redacted].
Carter, Preston L., [redacted].
Casey, Elmer M., [redacted].
Castellanos, Luis L., [redacted].
Cheney, David H., [redacted].
Cooper, Maxwell A., [redacted].
Cooper, Philip H., [redacted].
Corcoran, Robert J., [redacted].
Cotten, Leon B., [redacted].
Cowen, George D., [redacted].
Cox, Robert B., [redacted].
Crandall, David B., [redacted].
Crast, Frank W., [redacted].
Cromwell, Larry G., [redacted].
Cronin, Robert J., [redacted].
Daniell, Walter C., [redacted].
Deleese, Joseph S., [redacted].
Demersseman, John A., [redacted].
Deshon, George E., [redacted].
Diana, Daniel J., [redacted].
Diblasi, Robert J., [redacted].
Dixon, Jonathan A., [redacted].
Donley, Patrick J., [redacted].
Donowitz, Mark, [redacted].
Dorethy, James F., [redacted].
Dudley, William R., [redacted].
Dwyer, Michael J., [redacted].
Eckert, Richard E., [redacted].
Enquist, Robert W., [redacted].
Fabrigar, Carmelo S., [redacted].
Funderburg, James C., [redacted].
Garrison, James S., [redacted].
Gatens, Paul F., [redacted].
Geiser, John H., [redacted].
Genser, Sander G., [redacted].
Goldner, Fred H., [redacted].
Gunby, Edwin N., [redacted].
Gutierrez, Jorge A., [redacted].
Hackethorn, John C., [redacted].
Haddock, James B., [redacted].
Harris, Ronald R., [redacted].
Harris, Stanley C., [redacted].
Hymarsh, Marilyn K., [redacted].
Justice, Glen R., [redacted].
Kane, Lawrence R., [redacted].
Kark, John A., [redacted].
Karl, Robert D., [redacted].
Kelley, James L., [redacted].
Kim, Michael H., [redacted].
Kimball, Gordon R., [redacted].
Kinane, Thomas J., [redacted].
Kleiner, John P., [redacted].
Kort, William T., [redacted].
Kraft, Barry, [redacted].
Lapins, Nickolajs A., [redacted].
Larsen, Lawrence E., [redacted].
Lewis, Philip C., [redacted].
Loleng, Cecilia M., [redacted].
Lovern, Walter J., [redacted].
Lunsford, Thomas M., [redacted].
Maitland, Charles G., [redacted].
Malone, Thomas N., [redacted].
Mansfield, Lyndon E., [redacted].
Martyak, Anthony P., [redacted].
May, Dennis L., [redacted].
McDougal, William S., [redacted].
McKelvey, John J., [redacted].
McLean, Ian W., [redacted].
McNamara, Timothy E., [redacted].
Meade, William C., [redacted].
Melendez, Edwin, [redacted].
Meyers, Allan F., [redacted].
Miller, Lynn E., [redacted].
Miller, Robert W., [redacted].
Murchison, William, [redacted].
Muth, Warren F., [redacted].
Neches, Norman M., [redacted].
O'Donell, Francis L., [redacted].

Olmert, Joseph P., [redacted].
Overly, Gerald G., [redacted].
Parks, Samuel D., [redacted].
Perry, Michael E., [redacted].
Philbrick, Jack H., [redacted].
Poling, Charles W., [redacted].
Polsky, Muni S., [redacted].
Pope, James C., [redacted].
Prather, Jerry L., [redacted].
Pulaski, Edwin T., [redacted].
Rappe, Gerald A., [redacted].
Rawlings, James S., [redacted].
Read, John A., [redacted].
Redmond, Daniel P., [redacted].
Reinker, Kent A., [redacted].
Richardson, Madison F., [redacted].
Rigler, Wilson F., [redacted].
Roscetti, James L., [redacted].
Sandhu, Hartej S., [redacted].
Schneider, Richard, [redacted].
Schultheiss, John F., [redacted].
Seyfer, Alan E., [redacted].
Shatsky, Stanley A., [redacted].
Sievers, David B., [redacted].
Simon, David C., [redacted].
Singh, Surinderjit, [redacted].
Smith, Donald D., [redacted].
Steahly, Lance P., [redacted].
Stewart, Richard H., [redacted].
Steyskal, Robert W., [redacted].
Story, Paul G., [redacted].
Tellis, Claude J., [redacted].
Thomas, Paul J., [redacted].
Thompson, Frederick, [redacted].
Uechi, Michael D., [redacted].
Updegraff, Bryan R., [redacted].
Vaeth, Stephan J., [redacted].
Vollero, Robert A., [redacted].
Wade, James M., [redacted].
Wamble, John L. Jr., [redacted].
Wehunt, William D., [redacted].
Whitsitt, Leighton, [redacted].
Wilkin, James H., [redacted].
Will, Raymond J., [redacted].
Williams, Robert K., [redacted].
Winkel, Craig A., [redacted].
Woodcock, Leslie D., [redacted].
Woods, James R., [redacted].
Yeagley, Miles G., [redacted].
York, William B., [redacted].
Youker, Jerry R., [redacted].

DENTAL CORPS

To be lieutenant colonel

Agar, John R., [redacted].
Ahlers, Robert C., [redacted].
Antonini, Charles J., [redacted].
Ayer, William A., [redacted].
Badger, Gary R., [redacted].
Ballinger, Mark E., [redacted].
Baumgartner, John C., [redacted].
Becka, David C., [redacted].
Beuttenmuller, Erhard, [redacted].
Bogue, John P., [redacted].
Boren, Robert S., [redacted].
Buhler, John E., [redacted].
Butler, Gerald V., [redacted].
Carbone, David O., [redacted].
Clark, David M., [redacted].
Comella, Martin C., [redacted].
Courson, Richard C., [redacted].
Cuddy, John J., [redacted].
D'Anna, James A., [redacted].
Davis, Albert L., [redacted].
Davis, Stephen S., [redacted].
Divita, Carl L., [redacted].
Dmura, Michael R., [redacted].
Doherty, Richard D., [redacted].
Dorsey, Joe K., [redacted].
Edge, Marion J., [redacted].
Farmer, John B., [redacted].
Fay, James R., [redacted].
Ganong, Stephen L., [redacted].
Gardner, Furmon M., [redacted].
Geertsema, Richard, [redacted].
Gifford, Gerald R., [redacted].
Gilles, James A., [redacted].
Gracey, Leslie L., [redacted].
Griffin, Robert E., [redacted].
Gunderson, Ronald B., [redacted].
Hanson, Donald P., [redacted].
Holt, Dennis E., [redacted].
Hooks, Thomas W., [redacted].
Hughbanks, James C., [redacted].
Hunter, Ronald D., [redacted].
Ivanhoe, John R., [redacted].
Jeffrey, Gary D., [redacted].
Johnson, Ralph G., [redacted].
Johnson, Richard L., [redacted].
Jones, Donald A., [redacted].
Kallio, Donald M., [redacted].
Kestner, Allan T., [redacted].
Kiyomura, Ira I., [redacted].
Krakow, Arthur M., [redacted].
Kraut, Richard A., [redacted].
Kuhn, John B., [redacted].
Labounty, Gary L., [redacted].
Leben, Jeffrey B., [redacted].
Lemoine, David L., [redacted].
Lessin, Michael E., [redacted].
Lewis, David M., [redacted].
Liggett, William R., [redacted].
Little, John A., [redacted].
Lopez, Jesus Jr., [redacted].
Lyon, Douglas R., [redacted].
McMahon, Robert E., [redacted].
McQuade, Michael J., [redacted].
Moergeli, James R., [redacted].
Moody, Edward L., [redacted].
Mueller, Brett H., [redacted].
Mullinax, Ellis T., [redacted].
Murphy, Wade L., [redacted].
Nagy, William W., [redacted].
Nelson, Donald F., [redacted].
Newbry, Everett G., [redacted].
Oleskevich, James M., [redacted].
Pawsat, David S., [redacted].
Pearson, Craig D., [redacted].
Percy, Kent H., [redacted].
Petrucci, Vincent A., [redacted].
Phillips, Bruce B., [redacted].
Pohlmann, Bernard H., [redacted].
Reddy, Thomas G., [redacted].
Robinson, Phillip H., [redacted].
Segall, Ronald O., [redacted].
Sheehe, John P., [redacted].
Sheppard, Paul R., [redacted].
Smith, Malcolm G., [redacted].
Stanford, Thomas W., [redacted].
Stankewitz, Charles, [redacted].
Stefani, Dennis E., [redacted].
Stephens, James L., [redacted].
Stringer, John L., [redacted].
Svec, Timothy A., [redacted].
Swain, Gary R., [redacted].
Taggart, Edward J., [redacted].
Tesch, Thomas N., [redacted].
Todd, Maylon J., [redacted].
Tressler, Lloyd E., [redacted].
Turner, Kenneth D., [redacted].
Vincent, Jack W., [redacted].
Wallace, Douglas C., [redacted].
Wallace, William F., [redacted].
Wampole, Harry S., [redacted].
Webber, Raymond T., [redacted].
Wilke, Gary M., [redacted].
Zimmerman, Bruce J., [redacted].

ARMY PROMOTION LIST

To be lieutenant colonel

Berry, Terry G., [redacted].
Hitch, Robert H., [redacted].
Logan, Abraham T., [redacted].
McClements, James R., [redacted].
McGowan, James J., Jr., [redacted].
Nicklas, Harold H., [redacted].
Parr, Ivan W., III, [redacted].
Seligman, Norman L., [redacted].
Stockstill, John D., [redacted].
Taylor, Stephen R., [redacted].
Thompson, James W., [redacted].
Torres, Victor M., [redacted].
Ware, Lesly F. Jr., [redacted].
Young, Bernie L., [redacted].

The following-named officers for promotion in the Regular Army of the United States, under provisions of title 10, United States Code, sections 3284 and 3299:

ARMY PROMOTION LIST

To be major

Blackwell, Eugene B., [redacted].
Bergeron, Paul R., [redacted].
Chellman, Ronald J., [redacted].
Colby, Edward L., [redacted].
Cooper, Walter A., [redacted].
Griffin, John M., [redacted].
Nicklas, Harold H., [redacted].
Reich, Russell O., [redacted].
Reich, Russell OO., [redacted].
Williams, Walter G., [redacted].

The following-named officer for promotion in the Regular Army of the United States, under the provisions of title 10, United States Code, sections 3284 and 3298:

ARMY PROMOTION LIST

To be first lieutenant

Brogdon, Bunny C., [redacted].

IN THE ARMY

The following-named officers for promotion in the Reserve of the Army of the United States, under the provisions of title 10, U.S.C., section 3370:

ARMY NURSE CORPS

To be colonel

Caswell, Ardis M., [redacted].
Coggin, Laura J., [redacted].
Dean, Olga M., [redacted].
Grice, Margaret L., [redacted].
Hoover, Mary P., [redacted].
James, Doris M., [redacted].
Koth, Howard M., [redacted].
Kubiak, Arthur S., [redacted].
Lassett, Josephine, [redacted].
May, Katherine M., [redacted].
Mellott, Marion K., [redacted].
Nurse, Joyce J., [redacted].
Odorico, Otilia A., [redacted].
Rowe, Betty J., [redacted].
Ruhland, Florence R., [redacted].
Sisk, Jessie M., [redacted].
Spooner, Lawrence, [redacted].
Tardif, Louis G., [redacted].
Terrill, Margaret E., [redacted].
True, Catherine L., [redacted].
Wray, Marion E., [redacted].
Zilonka, Bernice M., [redacted].

DENTAL CORPS

To be colonel

Black, Robert H., [redacted].
Cheney, Daniel K., [redacted].
Cullen, James R., [redacted].
Flood, James E., [redacted].
Floyd, Daniel E., [redacted].
Garner, Stacey A., [redacted].
Goldsby, Joel W., [redacted].
Jackson, Hiram M., [redacted].
Jeske, Frederick J., [redacted].
Ketcham, William S., [redacted].
Kirkpatrick, E. L., [redacted].
Marcantonia, Joseph, [redacted].
Mozrall, John F., [redacted].
Nardine, John V., [redacted].
Rose, Junius H., Jr. [redacted].
Scott, Walter J., [redacted].
Sheehan, Arthur P., [redacted].
Swieterman, R. P., [redacted].
White, Hazel M., [redacted].

MEDICAL CORPS

To be colonel

Brown, Richard B., [redacted].
Buttery, Christopher, [redacted].
Caccavo, Francis A., [redacted].
Chipman, Martin, [redacted].
Desanctis, Armand N., [redacted].
Georgakis, Nicholas, [redacted].
Harlowe, Stuart E., [redacted].
Longo-Cordero, R., [redacted].
McGarry, John F., [redacted].
Morgan, Loren R., [redacted].
Phillips, Ran L., II, [redacted].
Rather, Daniel A., [redacted].
Roth, Harold C., [redacted].
Saneholtz, W. E., [redacted].
Sayer, William J., [redacted].
Scharff, Louis, [redacted].
Slusher, Ralph C., [redacted].
Stockwell, Henry P., [redacted].
Whitehouse, William, [redacted].
Wright, George W., Jr., [redacted].

MEDICAL SERVICE CORPS

To be colonel

Bailey, Glenn E., [redacted].
Blomquist, Calvin B., [redacted].
Eagon, Robert G., [redacted].
Fletcher, Ronald D., [redacted].
Getz, Lowell L., [redacted].
Gill, Harry E., [redacted].
Gracyalny, James I., [redacted].
Hamilton, James E., [redacted].
Hart, James M., Jr., [redacted].
Hissong, Jerry B., [redacted].
Hutchison, Victor H., [redacted].
Kramer, Sherman F., [redacted].
Lindquist, John L., [redacted].
Lutz, Anthony J., Jr., [redacted].
McIntyre, James E., [redacted].
Miller, James B., [redacted].
Prouty, Richard W., [redacted].
Scheyett, Walter E., [redacted].
Strannigan, Dale L., [redacted].
Tracey, Donald J., [redacted].
Wickham, Arthur R., [redacted].
Zallen, Harold, [redacted].

ARMY MEDICAL SPECIALIST CORPS

To be colonel

Anderson, Beverley, [redacted].
Cleary, Kathleen P., [redacted].

VETERINARY CORPS

To be colonel

Carver, Royal T., [redacted].
Norcross, Marvin A., [redacted].
Strandberg, Harold, [redacted].

The following-named officers for promotion in the Reserve of the Army of the United States, under the provisions of title 10, U.S.C., sections 3366 and 3367:

WOMEN'S ARMY CORPS

To be lieutenant colonel

Hammond, Ruth E., [redacted].

ARMY NURSE CORPS

To be lieutenant colonel

Aasland, Lois M., [redacted].
Baldwin, Annie P., [redacted].
Bivalec, Lorraine M., [redacted].
Boudreaux, Gloria M., [redacted].
Boyer, Gladys M., [redacted].
Coss, Elizabeth A., [redacted].
Decker, Charles, [redacted].
Delap, James N., [redacted].
Diaz, Luisa A., [redacted].
Drose, Wanda, [redacted].
Duffy, Georgianne, [redacted].
Ferris, Patricia A., [redacted].
Gillespie, George F., [redacted].
Godby, Jack L., [redacted].
Godby, Rosemary, [redacted].
Grady, Henrietta C., [redacted].
Kidon, Shirley A., [redacted].
Leiner, Marion R., [redacted].
Lord, Martha P., [redacted].
Matthews, Hattie M., [redacted].
McGowan, Elizabeth, [redacted].
McIntyre, June, [redacted].
Perrin, Lehua M., [redacted].
Pugh, Calvin C., [redacted].
Radle, Patricia J., [redacted].
Santiagorosado, G., [redacted].
Stevens, David A., [redacted].
Summerlin, Mabel C., [redacted].
Webster, Edith H., [redacted].
Weierman, William L., [redacted].
Wilson, Lawrence P., [redacted].
Wise, Stephen P., [redacted].

DENTAL CORPS

To be lieutenant colonel

Abel, Leslie R., [redacted].
Ames, Richard K., [redacted].
Armitage, Jack E., [redacted].
Bakland, Leif K., [redacted].
Bartley, Murray H., [redacted].
Cartmel, Jerry P., [redacted].
Davis, Thomas F., [redacted].
Falcone, Anthony J., [redacted].
Foster, James H., [redacted].
Giambalvo, Anthony, [redacted].
Gombos, Stephen J., [redacted]
Henrichsen, Leon J., [redacted].
Hickey, James C., [redacted].
Holland, Thomas, [redacted].
Koski, Onnie R., [redacted].
Pokorney, Robert L., [redacted].
Pollard, Jerry L., [redacted].
Rainsberger, R. E., [redacted].
Sanchez, Antonio M., [redacted].
Sinicropt, Stephen, [redacted].
Spengler, Frank J., [redacted].

MEDICAL CORPS

To be lieutenant colonel

Adams, Richard I., [redacted].
Anderson, Robert L., [redacted].
Boas, Edward L., [redacted].
Caldwell, Michael D., [redacted].
Cooper, James M., [redacted].
Corr, Gerald J., [redacted].
Drynan, John J., [redacted].
Greist, John H., [redacted].
Hallee, Theodore J., [redacted].
Houston, Hal E., Jr., [redacted].
Huddleston, H. T., [redacted].
Long, Robert G., [redacted].
Lourie, Seth H., [redacted].
Matsuo, Yoshiro, [redacted].
McClellan, Eugene K., [redacted].
McKim, Walter L., [redacted].
Miles, Edward L., [redacted].
Moore, Eugene A., [redacted].
Muse, Andrew D., [redacted].
Pagansaez, Heribert, [redacted].
Snider, Clovis J., [redacted].
Takase, Allan S., [redacted].
Toth, Nicholas, [redacted].

MEDICAL SERVICE CORPS

To be lieutenant colonel

Allen, Troy R., [redacted].
Baetsch, Weldee A., [redacted].
Balcom, David R., [redacted].
Barfield, Arnold B., [redacted].
Bell, Carroll W., Jr., [redacted].
Boese, Jackie L., [redacted].
Boyle, Emmett T., [redacted].
Cancilla, Anthony G., [redacted].
Carter, Jerry B., [redacted].
Coughlin, John J., [redacted].
Culver, David W., [redacted].
Curtiss, Peter A., [redacted].
Davis, Walter T., Jr., [redacted].
Diaz-Adorno, B., [redacted].
Dugan, Richard N., [redacted].
Edwards, Betty J., [redacted].
Epps, Clifford, Jr., [redacted].
Foreman, Rodney M., [redacted].
Fowlkes, Nelson J., [redacted].
Frandsen, John C., [redacted].
Freund, Robert A., [redacted].
Frost, Jack L., [redacted].
Gertz, Kenneth D., [redacted].
Gilstrap, Roy D., Jr., [redacted].
Gittler, Steven, [redacted].
Goodsell, Robert L., [redacted].
Green, Galen L., [redacted].
Grim, John N., [redacted].
Hancock, Ralph B., [redacted].
Harkabus, Thomas J., [redacted].
Harris, Carlos, [redacted].
Hartfield, James N., [redacted].
Henseler, Philip E., [redacted].
Herden, Everett L., [redacted].
Huber, John T., [redacted].
Iacobucci, Eraclio, [redacted].
Klover, Jon A., [redacted].
Kobach, James J., [redacted].
Krabath, F. M. A., [redacted].
Krienke, Theophil R., [redacted].
Krogman, Franklyn T., [redacted].
Law, George R., [redacted].
Levandoski, N., [redacted].
Lindsay, Paul L., Jr., [redacted].
Lipschultz, William, [redacted].
Loring, Douglas M., [redacted].
Malone, Winfred F., [redacted].
Maltese, Stephen J., [redacted].
Mangin, Leon F., [redacted].
Martin, Francis D., [redacted].
Massaro, William E., [redacted].
Masuo, Robert H., [redacted].
McInroy, John D., [redacted].
Miller, Rogert L., [redacted].
Montano, Andrew, [redacted].
Moore, Edward J., [redacted].
Newman, Dewey H., Jr., [redacted].
Owen, Theo. D., [redacted].
Pellien, Paul L., [redacted].
Penso, Isaac, [redacted].
Raepsaet, George E., [redacted].
Smith, Lanny R., [redacted].
Stack, Robert, [redacted].
Stamp, Willard J., [redacted].
Thomas, Paul E., [redacted].
Tinkham, Robert C., [redacted].
Toles, Wesley, [redacted].
Towey, Carroll F., [redacted].
Vanwissink, G. E., [redacted].
Wentworth, B. C., [redacted].
Weston, Gilmer G., Jr., [redacted].
Whetton, George R., [redacted].
Wilson, Galyon W., [redacted].
Wong, Hyman, [redacted].

ARMY MEDICAL SPECIALIST CORPS

To be lieutenant colonel

Aller, Robert A., [redacted].
Delgadocolon, M., [redacted].
Donley, Phillip B., [redacted].
Friedlander, C. H., [redacted].
Gressett, John D., [redacted].
Griffin, Winslow L., [redacted].
Kreider, Russell R., [redacted].
Mooney, Lawrence P., [redacted].
Opersteny, C. J., [redacted].
Rankin, Richard D., [redacted].
Speight, Curtis, [redacted].
Verhegge, Ruth D., [redacted].
White, Louise R., [redacted].

VETERINARY CORPS

To be lieutenant colonel

Collamer, John H., [redacted].
Delannoy, C. W., Jr., [redacted].
Hayes, Howard M., [redacted].
Linerode, Phillip A., [redacted].
Meek, Dee G., [redacted].
Smith, Paul C., [redacted].
Thomson, Lester G., [redacted].

The following-named officers for appointment in the Reserve of the Army of the United States, under the provisions of title 10, U.S.C., sections 591, 593, 594:

ARMY PROMOTION LIST

To be lieutenant colonel

Naylor, William H., Jr., [redacted].

DENTAL CORPS

To be lieutenant colonel

Brown, Murton, [redacted].
Friend, Cyril L., Jr., [redacted].
Hobaica, Joseph B., [redacted].

MEDICAL CORPS

To be lieutenant colonel

Almquist, Howard T., [redacted].
Blee, William A., [redacted].
Blum, Herbert, [redacted].
Bowman, Robert P., [redacted].
DeVillez, Richard L., [redacted].
Eldred, Wilfred J., [redacted].
Everett, Elwood, [redacted].
Foote, William C., [redacted].
Gay, James S., [redacted].
Gerster, Paul W., [redacted].
Lee, Yon H., [redacted].
McAninch, Jack W., [redacted].
Schneider, Robert L., [redacted].
Stilwell, James R., [redacted].
St. Louis, Joseph A., Jr., [redacted].

The following-named officers for appointment in the Army of the United States, under the provisions of title 10, U.S.C., section 3494:

MEDICAL CORPS

To be lieutenant colonel

Baffes, Chris G., [redacted].
Eisen, Miguel, [redacted].

The following-named Army National Guard officers for appointment in the Reserve of the Army of the United States, under the provisions of title 10, U.S.C., section 3385:

ARMY PROMOTION LIST

To be colonel

Bostwick, James D., [redacted].
Fritsch, Lyle E., [redacted].
Godwin, Billy R., [redacted].
Howell, Marion L., [redacted].
Knoell, Timothy C., [redacted].
Leach, Dan P., [redacted].
Leszczynski, Joseph S., [redacted].
Liston, John T., [redacted].
McCain, William D., Jr., [redacted].
McFall, James M., [redacted].
Northern, Richard E., [redacted].
Searcy, William E., [redacted].

MEDICAL CORPS

To be colonel

Roth, Harold C., [redacted].

ARMY PROMOTION LIST

To be lieutenant colonel

Boe, Herbert R., [redacted].
Boleware, Garland W., [redacted].
Bolton, Thomas N., [redacted].
Bryan, James C., [redacted].
Bryant, Douglas R., [redacted].
Bumgardner, Rudolph, [redacted].
Clark, Joseph B., [redacted].
Cooper, Jack D., Sr., [redacted].
Daisey, David H., [redacted].
Eagon, Herbert B., Jr., [redacted].
Evangelist, Joseph A., [redacted].
Fairey, Leewell E., [redacted].
Faust, Ramon B., [redacted].
Ferguson, James W., [redacted].
Finlayson, John D., [redacted].
Foresman, Edward G., [redacted].
Fox, Oren R., [redacted].
Friess, Richard C., [redacted].
Gibbs, James B., [redacted].
Grinnell, John F., [redacted].
Grinnewald, Carl H., [redacted].
Hansen, Harold N., [redacted].
Keenan, George, [redacted].
Kzeski, James W., [redacted].
LaMastra, Anthony R., [redacted].
Lawrence, Warren J., [redacted].
Livesay, Donald D., [redacted].
Meader, Joel W., [redacted].
Morales-Natal, Angel S., [redacted].
Nations, Wayne E., [redacted].
Plath, Daryl A., [redacted].
Pryor, Lloyd M., [redacted].
Rapier, George L., [redacted].
Rosaly-Freyre, Rafael, [redacted].
Santiago-Rodriguez, F., [redacted].
Schneider, Leon G., [redacted].
Simonson, Elmer O., [redacted].
Stockel, Lawrence J., [redacted].
Sweeney, John D., [redacted].
Werner, Herbert C. F., [redacted].
Whitney, William E., [redacted].

MEDICAL CORPS

To be lieutenant colonel

Hester, John E., III, [redacted].

MEDICAL SERVICE CORPS

To be lieutenant colonel

Greist, John H., [redacted].
Summers, William C., [redacted].

IN THE ARMY

The following-named officers as permanent professors of the U.S. Military Academy, under the provisions of title 10, United States Code, sections 4331 and 4333:

To be professor of foreign languages

Costa, John J., [redacted].

To be professor of English

Stromberg, Peter L., [redacted].

The following-named officers for reappointment in the active list of the Regular Army of the United States, from the Temporary Disability Retired List, under the provisions of title 10, United States Code, section 1211:

To be lieutenant colonel, Regular Army and lieutenant colonel, Army of the United States

Ray, William E., [redacted].

To be major, Regular Army and major, Army of the United States

Hamblen, John B., [redacted].

To be captain, Regular Army and major, Army of the United States

Adams, Robert T., [redacted].

The following named officers for appointment in the Regular Army of the United States, in the grade specified, under the provisions of Title 10, United States Code, sections 3283 through 3294 and 3311:

To be lieutenant colonel

Dambrosio, Umberto, [redacted].

To be captain

Feaster, John W., [redacted].
Freyfogle, Edward B., Jr., [redacted].
Goodhue, William W., Jr., [redacted].
Haase, Karen S., [redacted].
Laduke, Daniel L., [redacted].
Laing, George G., [redacted].
Layland, David H., [redacted].
Mayes, Michael R., [redacted].
Meyers, Sharleen G., [redacted].
Nix, John H., III, [redacted].
Norsworthy, Levator, Jr., [redacted].
Reid, Bruce H., [redacted].
Retson, Nicholas P., [redacted].
Schinasi, Lee D., [redacted].
Sinn, Jerry L., [redacted].
Stafford, Adrienne, [redacted].
Sutherland, Carl C., [redacted].
Thomasino, Joseph A., [redacted].
Toomey, Allan A., [redacted].
Wiersema, Richard A., [redacted].
Will, Virginia K., [redacted].

To be first lieutenant

Bagley, Warren P., [redacted].
Carlton, Roy D., [redacted].
Cline, Alana D., [redacted].
Dunham, James T., [redacted].
Graham, Donald L., [redacted].
Green, Shirley A., [redacted].
Greffath, Charles A., [redacted].
Jessup, James W., [redacted].
Livingston, Patricia M., [redacted].
Martin, Robert W., [redacted].
Maynard, Mary D., [redacted].
Norwig, Martha J., [redacted].
Patrick, Marcia R., [redacted].
Reed, Catherine O., [redacted].
Rice, Matthew M., [redacted].
St. Amand, Gerald A., [redacted].
Taylor, Russell W., [redacted].
Tidwell, Otto F., [redacted].

IN THE NAVY

The following-named lieutenant commanders of the U.S. Navy and Naval Reserve for temporary promotion to the grade of commander in the line, pursuant to title 10, United States Code, section 5769, subject to qualification therefor as provided by law:

Abbey, Donald L.
Abrams, Steven S.
Acord, Jiles U., Jr.
Adair, Roy E., Jr.
Adams, John R.
Adams, Robert F.
Adler, Jay B.
Agnew, James R.
Ahern, David G.
Ahlborn, Edward R., Jr.
Ahlstrom, Kenneth T.
Albers, Robert J.
Allen, Henry C.
Allen, John E.
Allin, John W.
Anawalt, Richard A.
Anderson, Charles A.
Anderson, John L.
Anderson, Raymond C.
Anderssen, Arthur H.
Andrews, Edward K.
Andrews, James R.
Anselmo, Philip S.
Anson, Robert, Jr.
Arnold, William T.
Astor, Lawrence I.
Athanson, John W.
Aucella, John P.
Austin, Donald G.
Avery, Donald W., Jr.
Avery, Robert Y.
Bailey, James L.
Baker, Brent
Baker, David J.
Baker, Milton S., Jr.
Balian, Alexander G.
Ball, Harry F., Jr.
Ballard, Don E.
Balut, Stephen J.
Bard, Albert E.
Barker, Ross D.
Barker, Wilbert B.
Barnett, William R.
Barney, William C.
Barrow, Edward M., Jr.
Barthold, Todd A.
Bartlett, Robert C.
Batzel, Thomas J.
Baumhofer, William J.
Beal, Richard F.
Bean, Charles D.
Beck, Melvin D.
Becker, Dennis E.
Beckham, Robert F.
Begley, Jerry N.
Behrend, Robert M.
Beland, Conrad L.
Belanger, Raymond L.
Bell, Denis J. W.
Bell, Merlin G.
Bellis, James R.
Bennett, Richard A.
Bennitt, Brent M.
Berg, John S.
Berley, Leonard E.
Berry, Russell E., Jr.
Beshirs, George R.
Betzner, Hugh W., Jr.
Beyman, David E.
Billingsley, Christopher
Blackmon, Larry W.
Blakeley, William R.
Bogard, Thomas H.
Borghoff, Francis A., II
Boston, Michael
Bosworth, Robin
Boyce, Robert W.
Boyd, John T.
Boydston, James L.
Boyer, Philip A., III
Bradberry, Brent A.
Branch, Allen D.
Brennan, Michael J.
Brenton, George W., II
Brittingham, Edward
Brokaw, Charles R.
Brooks, Leon P., Jr.
Brough, Robert F.
Brouwer, Frederick P.,
Brown, Carroll D.
Brown, David C.
Brown, Emory W., Jr.
Brown, Ronald L.
Browne, Herbert A., Jr.
Browne, Joseph M.
Brun, Charles R.
Bryant, Herbert V.
Bryant, James C.
Bryant, Leon C.
Buckley, Peter P.
Buckley, Thomas D.
Buckley, William C.
Buel, Kenneth R.
Buescher, Stephen M.
Bunn, Ronald R.
Burch, Othney P.
Burcham, Divirda H., III
Burck, Clarence W.
Burgess, Andrew L., Jr.
Burke, Kevin J.
Burke, Michael E.
Burns, Robert L.
Burt, John A.
Burtram, Roderick
Bustamante, Charles J.
Butler, Francis W.
Butler, Joseph M.
Butler, Richard M.
Byerly, Kellie S.
Byrnes, David T.
Calande, John J., Jr.
Calhoun, Ronald J.
Calvano, Charles N.
Cameron, John F.
Camp, Norman T.
Campbell, Archibald G.
Campbell, Guy R., III
Campbell, James J.
Canady, Paul A.
Canepa, Louis R.
Carder, William H.
Carl, Lester W.
Carlmark, Jon W.
Carpenter, Allan R.
Carroll, Charles C.
Carroll Hugh E., II
Carter, Clyde L.
Carter, James O.
Carter, Major L.
Cash, Roy, Jr.
Cassidy, Tom K.
Cassiman, Paul A.
Chafin, Thomas L.
Chappell, Stephen F.
Charette, Alfred A., Jr.
Charvet, Paul C.
Church, Wayne C.
Clark, Arthur
Clark, Arthur D.
Clark, Hiram W., Jr.
Clark, Howard B.
Clason, Aryl B.
Clemenger, John W.
Clements, Wilton R.
Clyncke, Donald R.
Coady, Philip J., Jr.
Cohen, Steven R.
Colavito, Thomas J.
Cole, Legrande O., Jr.
Cole, Robert S.
Coleman, Jon S.
Collins, Richard X.
Collins, William G., Jr.
Colucci, Anthony R.
Colvin, Clarence E.
Comstock, George A.
Conjura, John E.
Conley, Dennis R.
Connor, Ernie E.
Cook, Bruce C.
Cook, Douglas W.
Cook, John F., Jr.
Cook, Martell J.
Cooke, Oren B.
Corcoran, Joseph F.
Corgan, Michael T.
Cornia, Howard
Coshow, George H., II
Costello, John P., II
Couch, Dale M.
Coulter, William L.
Coupe, Jay, Jr.
Cousins, Belmont W.
Coward, Asbury, IV
Cox, Landon G., Jr.
Crabbe, Douglas V., Jr.
Craddock, John R.
Craig, Philip C.
Creps, Stephen G.
Cressy, Peter H.
Croix, Larry E.
Cronin, Robert R.
Crooks, Richard A.
Crumly, Jerry M.
Curran, Lawrence E.
Currie, Daniel L., Jr.
Curtis, Richard B.
Curtis, Robert E.
Dade, Thomas B.
Dahl, Dennis K.
Daigle, Glenn H.
Daley, Michael J.
Dalrymple, Edward K.
Dalton, Gerard H.
Dalton, Henry F.
Daly, Edward L.
Dangel, John H.
Dannheim, William T.
Dantone, Joseph J., Jr.
Daramus, Nicholas T., Jr.
Dattilo, Frank, III
Dau, Frederick W., III
Daugherty, Shaun M.
Davidson, Alan N.
Davidson, Dan L.
Davidson, Wayne F.
Davis, Eugene B.
Davis, Gerald, Jr.
Davis, Henry H., Jr.
Davis, John C., II
Davis, Thomas C., Jr.
Day, Patrick A.
Deboer, James K.
Decarli, Wiley P.
Defloria, Joseph G., Jr.
Deklever, Vaughn G.
Dekshenieks, Vidvuds
Demech, Fred R., Jr.
Denault, Donald R.

Denbow, Kenneth D.
Denning, William J., III
Dennis, James A., Jr.
Dersham, Dayton L.
Deutermann, Peter T.
Dewey, John R.
Dix, Paul G.
Dixon, Thomas E.
Domaloan, Paul
Donahue, Drake A.
Donegan, John J., Jr.
Doney, John H., III
Dorman, Merrill H.
Dougherty, Robert J.
Dowd, James L.
Drake, Albert W.
Drew, James J.
Driscoll, Kurt A.
Dryden, William T.
Duchock, Charles J., Jr.
Dufresne, Michael P., Jr.
Dugan, Timothy P., Jr.
Dunn, Donald B.
Dunne, Gerald W.
Durr, Philip A.
Durham, Dan W.
Durkee, Albert W.
Dutrow, Samuel R., Jr.
Earner, William A., Jr.
Earnhardt, John B.
Easley, George A.
Eckstein, Eric R.
Edwards, "L" Vernon, Jr.
Efrid, William A.
Eischen, Gerald N.
Eissing, Frank E., III
Elberfeld, Lawrence G.
Elliott, Shirley H.
Ellis, Winford G.
Ellsworth, Thomas B., Jr.
Emery, George W.
Engwell, Darrel W.
Ennis, Michael K.
Erlandson, John L., Sr.
Estes, Donald H.
Evans, Irvin C., Jr.
Falcon, Michael F.
Farley, Robert T.
Farmer, Michael A.
Faticoni, John A.
Felps, Lowell D.
Ferguson, Thomas E.
Filippi, Richard A.
Fisher, George G.
Fister, George R.
Fitzgerald, James R.
Fitzpatrick, Thomas G.
Fones, James M., Jr.
Fontana, James D.
Formo, David J.
Forster, Robert D.
Fortenberry, Bobby J.
Franson, Alvin L.
Franz, Rodney C.
Frazer, Paul D.
Fredericks, Roy C.
Freeman, Ernest R.
Freibert, Ralph W.
French, John C., Jr.
French, Thomas P., Jr.
Frick, Frederick M.
Friedman, Marcus V.
Fritz, Thomas C.
Fritz, Thomas W.
Froehlich, Edward W., Jr.
Frost, John A.
Fugard, William H.
Fulton, William L., II
Gaines, George L.
Gapp, Donald R.
Gates, Jonathan H.
Gaul, James H.
Gautier, James B.
Gay, John P.
Gaylord, Reginald F., Jr.
Gee, Daryl L.
Gerwe, Franklin H., Jr.
Ghrer, Grady F.
Gildersleeve, Elmer J.
Gill, James E.
Gill, Russell C.
Gillen, Robert L.
Gilmartin, John T.
Gilmore, Richard D.
Gilroy, Vincent J., Jr.
Giorgio, Frank A., Jr.
Gist, David M.
Glasier, Peter K.
Glover, Jimmy N.
Gobbel, James T., Jr.
Gompper, James H.
Goodloe, Robert V., Jr
Goodwin, Charles B.
Gormly, Robert A.
Gottschalk, Gary W.
Grabowsky, Theodore E.
Grace, Robert F.
Graef, Peter J.
Graham, Clark
Grant, Richard
Granuzzo, Andrew A.
Graves, William T.
Green, Robert L.
Green, Thomas R.
Greene, James B., Jr.
Greeson, Tommy D.
Gregory, Francis C.
Griffin, Clyde W.
Griffin, Paul A.
Griffith, Douglas K.
Griffiths, David J.
Gross, Charles N.
Grubb, Robert G.
Gubbins, Philip S.
Gushaw, Gregory V.
Habermeyer, Howard W., Jr.
Hadley, Allan W.
Hagy, James H. D., Jr.
Hahn, William D.
Halenza, Hal R.
Hall, James O.
Halperin, Mark I.
Hammer, George C.
Hancock, William J.
Hanley, James J.
Harken, Jerry L.
Harms, John H.
Harrison, Gilbert A.
Hauert, Patrick C.
Hauhart, James N.
Hays, James M.
Heilig, John
Heins, Raymnd R.
Helbig, Raymond A.
Helm, Larison F.
Herron, Francis J.
Hess, Donald R.
Hillis, Robert J.
Hilton, Francis W., Jr.
Hilton, Jay I.
Hinds, James J.
Hines, David S.
Hinkel, Harold J.
Hinkley, William L.
Hobbs, Marvin E.
Hodell, John C.
Hoecker, Richard G.
Hoffman, Carl W.
Hogan, James J., III.
Hohlstein, Julian G.
Hoivik, Thomas H.
Holden, Harry F., Jr.
Holliday, Harley J.
Hollingsworth, William L.
Holme, Thomas T., Jr.
Holmes, Frank C.
Honhart, David C.
Hood, John M., Jr.
Hood, John T.
Hooper, Charles N.
Horn, Maurice D., Jr.
Horvatic, Thomas L.
Howard, James W.
Huchting, George A.
Hudiburgh, Charles W.
Hudnor, Francis L., III
Huff, Clifford R.
Huffman, Kenneth A.
Hull, Kent S.
Hulvershorn, Frederick W.
Hunt, Paul D.
Huss, Jerry F.
Hutcheson, James E., Jr.
Hutt, Gordon W.
Hutton, Joseph J., Jr.
Hutton, Kenneth L.
Hynes, William R.
Iber, William R.
Idleberg, Norman
Itkin, Richard I.
Iverson, Michael M.
Jackson, Lesley J.
Jackson, Virgil F., Jr.
Jacobs, Philip R.
Jacobs, Philip H.
Jacobs, Ralph E.
Jacobson, Herbert A.
James, William E.
Jarecki, Stephen A.
Jarratt, John M.
Jaudon, Joel B.
Jenkinson, William R.
Jensen, Jack J.
Jewell, Robert M.
Jiannas, John S. E.
Johnson, Allan L.
Johnson, Alan J.
Johnson, Charles E.
Johnson, Gerald A.
Johnson, Patrick W.
Johnson, Richard L.
Johnson, William S.
Jones, James V.
Jordan, Jerry W.
Jordan, John F., Jr.
Jordan, Wesley E., Jr.
Joyner, Thomas W., Jr.
Juengling, Robert G.
Juerling, James R.
Justis, Edward T., Jr.
Kaeser, Karl H.
Kaiser, David G.
Kaiser, John M.
Kaiserian, Harry Jr.
Kaiss, Albert L.
Kane, David C.
Karr, James D.
Karr, Kenneth R.
Keim, Edward F.
Keleher, John A.
Kell, Richard E.
Kelley, Thomas J.
Kelley, William E.
Kennedy, James J.
Kenney, Lawrence H.
Key, Wilson D.
Kiem, Robert L.
Killian, James E.
King, Francis E.
King, George L., Jr.
King, Harold W.
Kinnear, Richard J.
Kirkwood, William W.
Knosky, Michael J., Jr.
Knutson, Rodney A.
Koch, Dean H.
Koczur, Daniel, J.
Kohler, Robert W.
Koss, Howard E.
Kottke, Robert A., Jr.
Kozlowski, Neil L.
Krause, Lawrence C.
Kreinik, Eugene G.
Krotz, Charles K.
Kruse, Dennis K.
Laabs, Stephen K.
Lachata, Donald M.
Lagassa, Robert E.
Lamay, Thomas V.
Lamb, John P.
Lamoureux, George J.
Landers, Michael F.
Lantz, Stephen P.
Lasswell, James B.
Lautenbacher, Conrad C., Jr.
Ledoux, Lawrence J.
Lee, Kenneth A.
Lee, Ronald A.
Leeke, Howard W., Jr.
Lehman, Harry
Leightley, Albert L., II
Lemon, Frank M.
Lents, John M.
Lesemann, Donald F.
Letourneau, Charles E.
Lewis, Jary W.
Lewis, Jerry A.
Lewis, Lyle E., Jr.
Liechty, Kenneth R.
Lierman, John S.
Limongelli, Joseph L.
Lindell, Colen R.
Lindsay, James H., Jr.
Lindsay, John H.
Linn, Larry E.
Lippincott, Richard J.
Litvin, Frederick D.
Livingston, Donald J.
Logan, Royal H., Jr.
Long, Herman J., Jr.
Lonnon, Lawrence W.
Loomis, Michael F.
Lord, William F.
Loucks, Steven J.
Love, George P., III
Lovett, Billy R.
Loy, Michael H.
Ludena, Roy
Lunde, Roger K.
Lundy, George W., Jr.
Lynch, Anthony J.
Lyons, Robert W.
MacCauley, Phillip H.
MacDonald, Michael J., III
MacDonald, William R.
Mackin, Jere G.
Maclin, Charles S.
Maddox, George N.
Mahaffy, Lorrence A., Jr.
Maheu, John C.
Mahoney, Patrick F.
Maier, Robert A.
Malchiodi, Michael A.
Malloy, Charles J., Jr.
Manley, Jerry B.
Mardis, Benny J.
Marrical, Anthony R.
Marsden, Phillip S.
Marsh, Larry R.
Marsh, William L.
Martin, John A.
Martin, Michael L.
Martin, Ralph K.
Martin, Ronald W.
Martinache, Charles G
Martinsen, Glenn T.
Masciangelo, Frederick J., Jr.
Mascitto, Eddy J.
Masten, Robert L.
Matheson, Norm K.
Mathis, William W.
May, Cyril V., Jr.
Mays, Michael E.
Mazzi, Arnold O.
McAllister, James P.
McAuley, John A., Jr.
McBride, Kenneth B.
McCann, William R., Jr.
McCarthy, Michael J.
McCleary, Joseph R.
McCormick, James T.
McCrory, Donald L.
McCrumb, James B.
McCusker, Arthur E.
McDaniel, Ronald A.
McDaniel, Ted O.
McDevitt, Michael A.
McDonald, John J., Jr.
McDonald, Jay G.
McDowell, Donald J.
McGee, Robert T.
McGuire, Thomas P.
McHenry, John W.
McKay, John D.
McKearn, Michael C.
McKenna, Richard B.
McKenna, Russell E., Jr.
McKinney, Donald L.
McLane, David J.
McNeely, Ellis E.
McQuown, Michael J.
McWhinney, John L.
Melanephy, James P.
Merz, Vincent P.
Meserve, John S., II
Meyers, John M.
Meyett, Frederick E., Jr.
Mezmalis, Andrejs M.
Michaels, Gregory A.
Miles, Richard J.
Miller, Albert E.
Miller, Andrew P., Jr.
Miller, John M.
Miller, Ralph R., III
Miller, Thomas H.
Millikin, Stephen T.
Mills, James B.
Minard, Julian E.
Minter, Charles S., III
Mitchell, Albert H., Jr.
Mitchell, Robert M.
Mitchell, William J.
Mizner, Malvern M.
Moir, Weston G.
Monash, Richard F.
Mondul, Steven M.
Monell, Gilbert F., Jr.
Mooberry, William J.
Moody, William B. B.
Moore, Charles L., III
Moore, Robert L.
Moran, William P., Jr.
More, Alan R.
Morford, James R., III
Morris, James H.
Morse, Clayton K.
Moser, Alan B.
Moulson, John A.
Mueller, James W.
Muench, Raymond W.
Mulholland, Lyle J.
Mullins, Willice R., II
Musick, George M., III
Muskovac, John J., Jr.
Mustian, Jonathan D.
Myers, Richard T.
Myers, Ronald W.
Naldrett, William J.
Nash, Malcolm P., III
Nash, Michael A.
Navone, Peter F.
Neal, John S.
Neeb, Karl A.
Nelson, Richard C.
Nemcosky, Martin J., Jr.
Nerup, Robert K.
Norcross, William G.
Norr, Herbert E.
Norrell, Billy E.
Norris, Dwayne O.
Norris, Jerry D.
Norton, Douglas M.
Norwood, Kenneth E.
Norys, Robert M.
Nunn, James W.
Oatway, William H. III
O'Brien, John J., Jr.
O'Brien, Robert C.
O'Brien, Terence J.
O'Brien, Thomas J., Jr.
O'Claray, Daniel G.
O'Connor, James G., Jr.
O'Connor, Mitchell B., Jr.
O'Connor, Thomas R.
Oden, Leonard N.
Odle, Billy F.
O'Hara, Thomas N.
O'Keefe, Cornelius F.
Oliver, David E.
Oliver, Richard J.
Olson, David E.
Olson, Donald M.
Orriss, David A.
O'Shea, Donald J.
Otis, Robert B.
Palen, Don G.
Palmer, Jerry D.
Palmer, William A., Jr.
Parchen, William R.
Parent, Donn V.
Park, John P.
Parkhurst, Nigel E.
Parkinson, Robert.
Paschall, William D.
Pattarozzi, Norman J.
Patterson, Jeffrey S.
Patterson, Bernard L., III
Paul, Harold W.
Pauling, David R.
Pendergrass, Curtis S.
Perez, Demetrio J.
Perkinson, Brian T.
Perry, Harold E.
Pesce, Victor L.
Phaneuf, Joseph T., Jr.
Phillips, Alexander M.
Pickett, Larry J.
Pieno, John A., Jr.
Pierce, Cole J.
Piret, Ronald S.
Plummer, Galen R.
Popp, Arvel J.
Portenlanger, Stephen.
Porter, John D.
Poulin, Norman R.
Powers, Danny J.
Prath, Robert L. E.
Pratt, Thomas R.
Price, Thomas D., Jr.
Procopio, Joseph G.
Provine, John A.
Pulfrey, Charles A.
Pulver, William D.
Punches, Robert L.
Pursel, Thomas M.
Quade, Edward L.
Quarles, Herbert R., Jr.
Quinton, Peter D.
Rackowitz, Marion R.
Raebel, Dale V.
Rainey, Peter G.
Ramos, Frank S.
Ranson, William M.
Ranzinger, William F.
Ray, Norman W.
Reason, Joseph P.
Reber, Peter M.
Reemelin, Thomas E.
Rees, Bob G.
Reeves, Philip E.
Reich, Donald G.
Reilly, Edward L.
Reistetter, Emery A.
Resweber, Owen J., Jr.
Retz, William A.
Reynolds, Keith E.
Ribolla, Romolo T.
Rice, Ervin E.
Richardson, David P.
Riess, James R.
Riggle, Gordon G.
Riley, David R.
Rixse, John H., III.
Roberts, William J., Jr.
Robinson, Keith P.
Robinson, Paul M.
Rodrick, Peter T.
Rogers, Paul H., Jr.
Rohm, Fredric W.
Roll, Francis P.

Ronan, Lawrence E.
Rooney, Philip J.
Ross, Raymond H., Jr.
Roundtree, John M. Jr.
Rubeck, James T.
Ruck, Merrill W.
Ruckner, Edward A., Jr.
Rueff, James L., Jr.
Ryan, Bruce A.
Saber, Gerald W.
Salisbury, William R.
Sampsel, Michael M.
Sampson, Harry B.
Sanders, William M.
Sanford, Richard M.
Santamaria, Donald F.
Saulnier, Steven C.
Sawatzky, Jerry D.
Schafer, Carl E., II
Schantz, John M.
Schatz, Arthur D.
Schery, Ferdinand M.
Schmidt, Donahue H.
Schropp, John W.
Schuerger, Richard F.
Schuyler, Philip
Schwab, James A.
Schwing, Emil M.
Scott, David E.
Scott, Jon P.
Seaquist, Larry R.
Secades, Vincent C.
Segrist, Edward L., Jr.
Shackelton, Norman J., Jr.
Shannon, John R., Jr.
Sharer, Don A.
Sharpe, Joseph D., Jr.
Sheehan, John W., Jr.
Sheridan, Thomas R.
Sherman, Allan
Shermer, William B.
Shillingsburg, John W.
Shirmer, Dan A.
Sicari, Anthony C.
Simpson, Michael G.
Simpson, Troy E.
Sisson, Robert H.
Skrzypek, John A.
Slater, Thomas S.
Slaughter, Jimmy R.
Small, Selden M.
Smith, Charles H.
Smith, Dan H.
Smith, John M.
Smith, Lyman H., II
Smith, Philip A.
Smith, Robert S.
Smith, William E.
Smith, Wilton J., Jr.
Smyth, Gregory S.
Snell, Alfred W.
Snyder, Wallace H.
Sokol, Stanley E.
Souder, James B.
Soverel, Peter W.
Spencer, Larry H.
Spinello, John A.
Stacy, Edward G.
Standridge, Wylie L., Jr.
Stark, William C.
Stiger, Robert D., Jr.
Stoakes, Richmond B.
Stoddard, Howard S.
Stone, William C.
Storms, Kenneth R.
Stout Michael D.
Stowell, Ralph H., Jr.
Strasser, Joseph C.
Streit, Raymond S., Jr.
Striffler, Paul J.
Stroebel, Donald W.
Strole, Douglas L.
Sullivan Joseph C.
Surles, Billy W.
Tahaney, Hubert F., Jr.
Tansey, Philip M.
Taranto, Richard
Tarpley, Robert P.
Tate, James A.
Tate, William A.
Taylor, Robert M.
Taylor, Steven C.
Taylor, Thomas L.
Tayor, Wade H., III
Terry, Michael R.
Terry William E.
Testa, Ronald F.
Testwuide, Robert L., Jr.
Thomas, Norman M., III
Thompson, Donald E.
Thompson, Laile H., Jr.
Thompson, Robert G.
Thorn, John C.
Tidball, Douglas D.
Tiernan, Barry V.
Tillotson, Frank L.
Timpson, Donald G.
Tobin, Paul E., Jr.
Todd, James N.
Toft, Richard J.
Tolbert, Clarence O.
Tonkin, Charles T., III
Tow, James D.
Traver, James E.
Tucker, Ronald D.
Tullgren, David B.
Turley, John, Jr.
Turnbull, James L.
Turner, James R.
Turner, Thomas W.
Tuttle, Arthur J.
Twardy, Clement R.
Twomey, Daniel T.
Ullman, Harlan K.
Ungerman, Michael K.
Ussery, David L.
Vambell, James P.
Vandervelde, Kent M.
Vanhoften, Scott A.
Vaughan, Raymond E.
Vaupel, David K.
Vazquez, Raul
Vercessi, George P.
Vernon, Larry J.
Vonsydow, Vernon H.
Vosilus, Robert B.
Wade, Richard J., Jr.
Walsh, Donald F.
Walters, Edward C.
Walters, Ronald F.
Walther, Arthur E.
Walton, Don H.
Wanamaker, Gregory
Ward, Allan, Jr.
Ward, John W.
Warn, Jon C.
Watkins, Edison L., III
Waugaman, Merle A.
Waylan, Cecil J.
Weale, Gary D.
Weaver, Charles T.
Weaver, James E., Jr.
Webb, Jack K.
Weisensee, William, J., Jr.
Welham, Walter F., Jr.
Wells, David A.
Werner, Michael C.
Werner, Robert M.
Wernsman, Robert L.
West, Walter D., III
West, William A.
Whalen, Frank R.
Whisler, Glenn E., Jr.
White, Larry R.
White, Walter E.
Whitney, Payson R., Jr.
Whitus, Ernest F.
Wiggins, William F.
Wilbourne, David G.
Wildman, Robert A.
Wilkinson, John G., Jr.
Willandt, Theodore A.
Williams, Joseph F.
Williams, Ronald L.
Williams, Richard D., III
Williams, Thomas D.
Williams, Walter D., Jr.
Wilson, Gary W.
Wilson, Richard A.
Wilson, Torrence B., III
Winters, Curtis J.
Wise, Randolph E.
Wisehart, Kenneth M.
Witcraft, William R.
Witzenburg, Gary M.
Woehl, Robert D.
Wolfram, Charles B.
Woloszyk, Donald J.
Womble, Talmadge A.
Wood, Hansel T., Jr.
Wood, Herman F.
Woodbury, Roger L.
Woodruff, Robert B.
Woods, Paul F.
Wright, Donald J.
Wright, James J.
Wright, Julian M., Jr.
Wright, Malcolm S.
Wynne, David C.
Yankura, Thomas W.
Yonov, Serge A.
Zabrocki, Alan D.

The following named lieutenant commanders of the U.S. Navy for permanent promotion to the grade of commander in the line, pursuant to title 10, United States Code, section 5771, subject to qualification therefor as provided by law:

Akter, Carolyn M.
Apana, Phyllis S.
Binaghi, Joanne T.
Beckley, Mary A.
Curry, Viola D.
Francis, Sandra L.
Graichen, Dimity L.
Hampson, Nancy E.
Laughton, Katharine L. H.
Lavery, Sally A.
Lins, Dorothy K.
Renninger, Jane F.
Sadler, Georgia C.
Walton, Margurite A.
Watson, Kathryn A.
White, Linda J.

IN THE NAVY

The following-named temporary chief warrant officers, W-3 of the U.S. Navy for permanent promotion to the grade of chief warrant officer, W-3, pursuant to title 10, United States Code, section 563, subject to qualification therefor as provided by law:

Abbruzzese, William C.
Albertin, James M., Jr.
Alger, Richard L.
Allen, Charles E.
Allen, Duke D.
Anderson, Edward W.
Anderson, Jeffrey L.
Arnold, Charles D.
Arnold, David W.
Attebury, Ervel E.
Azzole, Peter J.
Baernthaler, Klaus
Baker, Donald D.
Baker, Raleigh D., Jr.
Bargelski, Michael J.
Barker, Loyd N.
Bates, William A., Jr.
Baylor, Edward K.
Beck, Donald D.
Beckman, John W.
Bell, Dennis E.
Bellflower, Robert J.
Berkheimer, Thomas E
Berreitter, Jan A.
Betancourt, Alberto L.
Bookwalter, James M.
Boon, Gene R.
Borner, Wesley F.
Borno, Louis M., Jr.
Boswell, William S., Jr.
Botwright, Richard E.
Bowser, Glenn L.
Boyden, John P.
Braddy, James R.
Bragg, Noel W.
Brandon, George A.
Branson, Jack R.
Braswell, MacArthur D
Breslin, Joseph J., III
Briggs, Frederick L.
Brittain, William G., Jr
Brooks, James A.
Brown, Leroy A.
Brown, Tommy A.
Brown, William D., Jr.
Burbach, Donald E.
Burris, William A.
Burris, William O.
Burrows, Gerald E.
Buzzell, Ralph C.
Byrne, Edward M.
Cameron, Robert E.
Carpenter, Russell R.
Cart, Harold E.
Carter, Lee D.
Casey, Paul J.
Chandler, Frank L.
Cheatham, Grady K.
Chelgren Karl W.
Chesla, Frank J.
Christensen, Bo G.
Clark, William P., Jr.
Cloughley, Richard E.
Combs, Russell W.
Conner, Roger A.
Conners, Edwin J., Jr.
Connors, Daniel
Cooper, Charles W.
Coward, Noel T.
Cozzolino Andrew
Culbertson, Arthur L.
Cunha, Christopher V.
Curtis, Harold R.
Curtis, Ronald W.
Dallamura, John P.
Dalton, Merrill A.
Davis, Levi
Davis, William H.
Delaney, Darrel D.
Devlin, Donald F.
Dickinson, Bruce R.
Dickson, Lee A.
Dilick, Gregory F.
Dixon, James W.
Dixon, Loren K.
Donahue, Charles R.
Dote, Michael K.
Dougherty, Patrick J.
Dowty, Bobby L.
Doyle, David M.
Driscoll, Michael B.
Dunn, Robert K.
Dunnagan, Alvia J.
Eiben, Norman G.
Evans, James M.
Faltisek, Dale W.
Faulk, Robert L.
Field, Philip H.
Fisher, Roy F.
Flinner, William W.
Flores, Pablo J.
Fluker, James A.
Formby, Roy G.
Fortier, Ormond L.
Freegard, Sidney B., Jr.
Fuller, William J.
Gailes, Thomas J.
Gancel, John E.
Gee, James T.
Genin, Louis P.
German, William E.
Gilbert, John B.
Golden, Larry E.
Golden, Richard F. D.
Gorday, Vivian W., Jr.
Gordon, Harry J, III
Graham, Thomas H.
Grigg, Larry E.
Grutta, Frank T.
Hafter, Larry E.
Hale, John F.
Hall, Allen E.
Hall, Richard T.
Hanson. Clark R.
Harvey, Fred S., Jr.
Hawk, Bruce L.
Haynal, James R.
Haynes, Arthur D.
Haywood, Louis F.
Hebert, Charles F.
Heckhaus, Richard
Henderson, Harold D.
Hennessy, Raymond M.
Henry, Eldon P., Jr.
Hieber, Raymond A.
Highlander, Lucian P. Jr.
Holcomb, William K.
Hormuth, Thomas P.
Horn, William J.
Howard, Bobby J.
Hunt, Roy L.
Hurst, Ernest W.
Hussey, George O.
Hyatt, Jerry O.
Hyster, David R.
Minnella, Michael J.
Jacks, Curtis D.
Jackson, Bernard T.
Jennings, Gary H.
Johnson, Troy R.
Jones, Arthur H.
Jones, Buck P.
Jones, Edgar J.
Jones, Preston L.
Jones, Thomas E.
Joyce, Richard C.
Kennedy, John P.
Kern, Phillip E.
Kerns, Harold E., Jr.
Kinney, Paul C.
Kirby, Wayne E.
Kirkland, Ronald E.
Klinehoffer, Larry B.
Knapp, Frank C., Jr.
Koch, Harry K.
Kruger, Frederick L., II
Lacambra, Joseph L.
Lacava, Louis R., Jr.
Laib, Duwaine L.
Lake, James R.
Lambert, Carlton D.
Lane, Jerry P.
Lane, Robert T., Jr.
Lankford, Roger L.
Lanzner, Richard C.
Lavigne, David E.
Leach, John W.
Lemcool, Richard J.
Lewis, Ira J.
Lindsay, Howard B.
Little, Thomas R.
Locke, Edward S.
Long, Gary A.
Lucey, James W.
Lukens, Frank A.
Lundby, Neil W.
Lutes, Jack
Luther, Ellsworth R., Jr.
Lynch, Ronald
Lynch, William A.
Mack, Judson C.
Manley, John J., Jr.
Mares, Joe N.
Marshall, James F.
Marshall, Robert G.
Marshall, Rudy F.
Matura, Adolph R., Jr.
Mauldin, Robert E.
McCollum, James W.
McCoy, Charles K.
McElhinney, William J.
McGinnis, Daniel C.
McGlothen, James B.
McKenzie, Thomas H.
McKinney, George R.
McLeod, Mason M.
McManus, Michael P.
McWilliams, George R.
Metcalf, Robert W.
Middleton, Leroy R.
Millsap, Dewey J.
Mixson, Frank L.
Mooney, Jerry D.
Moore, Lavonne H.
Morris, Thomas W.
Moss, Curtis
Mott, Charles W.
Murphy, Patrick J.
Murray, William H.
Nance, Roger A.
Neal, Robert A.
Neil, Robert H.
Osullivan, John
Owens, Raymond P.
Page, Mitchael B.
Parker, Robert L.
Parsons, Walter P.
Pearce, Johnny L.
Perks, Thomas W.
Petersen, John S.
Petty, Marion A.
Pfuhl, John F.
Piepenhagen, Ulrich G.
Pimm, Bruce B.
Pittman, Adrain R.
Pokrywka, James M.
Porter, Robert L.
Power, Jerry R.
Pugliese, Ronald F.
Randall, Bobby L.
Reese, James G.
Reitz, Richard D.
Remer, James W.
Rhodes, John A.
Richards, Daniel R.
Richards, Jack, Jr.
Riggs, Marvin J.
Roach, Frank E., Jr.
Roberts, Donald R.
Robertson, Thomas A.
Rodeffer, Ronnie L.
Rohrscheib, James V.
Rose, Paul J.
Rosenberg, Leo C.
Ross, Steven S.
Rowe, James F.
Rowell, William H., Jr.
Rundgren, Conrad L.
Ruston, Chuck N.
Ruth, Charles M., Jr.
Rutledge, Samuel C., III
Salka, Michael S.
Sanders, Thomas A.
Saye, William A.

Scheine, Murray
Schmidt, Allen J.
Schmidt, William A.
Schmitt, Geral W.
Schneider, Richard C.
Seymour, Lyle M.
Shank, John
Shermer, Thomas G.
Sides, John E.
Simpson, Halley L.
Sinclair, Robert G.
Sirmans, Lance D.
Smallwood, James V.
Smith, Henry B.
Smith, Jerry C.
Smith, Thomas P.
Solomon, Robert
Sorensen, Ralph M.
Stapp, Clyde K.
Stephan, Herbert A.
Stomboli, James R.
Szucs, John H.
Szydlowski, Chester P.
Taylor, Robert E.
Thomas, Edward W.
Thomas, Francis F.
Thomas, Stephen G.
Thrift, Henry S., Jr.
Tindell, Joseph T.
Troino, Rocco J.
Truitt, Benjamin
Tucker, William T.
Vollbrecht, Malville W.
Walker, John M.
Walloch, Adam S.
Walsh, Jon A.
Weeder, Courtland C.
Werbiskis, James J.
Whipple, James F.
White, Allen E.
Whitlow, John N.
Wicks, Richard H.
Wiley, John E.
Wilson, John E.
Wilson, Larry L.
Wolfe, Albert G.
Wolford, Earl L.
Wood, Albert W.
Woods, Ronald W.
Worrell, Darrell A.
York, Gerald W.
Yount, Richart F.
Zimmerman, Ralph K.
Zingale, James C.

Chief warrant officer, W-4 (temporary) Edward G. Torres, U.S. Navy, for permanent promotion to the grade of chief warrant officer, W-4, pursuant to title 10, United States Code, section 563, subject to qualification therefor as provided by law.

Chief warrant officer, W-2 (temporary) Judith A. Robertson, U.S. Navy, for permanent promotion to the grade of chief warrant officer, W-2, pursuant to title 10, United States Code, section 563, subject to qualification therefor as provided by law.

IN THE MARINE CORPS

The following-named chief warrant officer for appointment to the grade of first lieutenant in the Marine Corps, pursuant to title 10, United States Code, section 6222, subject to the qualifications therefor as provided by law:

Erwin, Charles P.

CONFIRMATIONS

Executive nominations confirmed by the Senate October 25, 1977:

DEPARTMENT OF JUSTICE

Wallace P. Bowen, of Oregon, to be U.S. marshal for the district of Oregon for the term of 4 years.

Archie P. Sherar, of Washington, to be U.S. marshal for the eastern district of Washington for the term of 4 years.

Isaac George Hylton, of Virginia, to be U.S. marshal for the eastern district of Virginia for the term of 4 years.

Harry H. Marshall, of Illinois, to be U.S. marshal for the southern district of Illinois for the term of 4 years.

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.

HOUSE OF REPRESENTATIVES—*Tuesday, October 25, 1977*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

The Lord is my strength and my song, and He has become my salvation; He is my God and I will praise Him.—Exodus 15: 2.

Almighty God, whose glory fills the skies, whose presence is seen in the beauty of nature, and whose love surrounds us all our days, we thank Thee for the new life of a new day, for work to do and the strength to do it, and for this free land to which we commit the labors of these troubled times. Keep us aware of the importance of the issues we face and even more keep us aware of Your presence, Your wisdom, and Your love.

Grant unto us clear minds, clean hands, and creative spirits that we may be worthy to serve our country in this House this day and all days. Guide us through these hours with peace and joy and love. In the spirit of the Master we pray. Amen.

CALL OF THE HOUSE

Mr. ROUSSELOT. Mr. Speaker, on the basis of rule I, clause 1, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. WRIGHT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 683]

Andrews, N. Dak.
Archer
Armstrong
Badillo
Breckinridge
Brown, Calif.
Burke, Calif.
Burton, John
Carney
Cederberg
Chisholm
Collins, Ill.
Cotter
Coughlin
Derrick
Diggs
Dingell
Drinan
Early
Eckhardt
Evans, Ga.
Foley
Ford, Mich.
Ford, Tenn.
Fowler
Fraser
Gephardt
Gibbons
Gonzalez
Harrington
Harsha
Heckler
Heftel
Holland
Hollenbeck
Ireland
Keys
Koch
Krueger
Leggett
Luken
McEwen
McFall
McKinney
Milford
Moss
Murphy, Ill.
Nichols
Obey
Pepper
Quie
Quillen
Richmond
Risenhoover
Roncalio
Rose
Shuster
Symms
Teague
Tucker
Udall
Van Deerlin
Vanik
Whalen
Wiggins
Wolff
Young, Mo.
Zeferetti

The SPEAKER. On this rollcall 366 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 7. An act to authorize a career education program for elementary and secondary schools, and for other purposes;

H.R. 3454. An act to designate certain endangered public lands for preservation as wilderness, to provide for the study of additional endangered public lands for such designation, to further the purposes of the Wilderness Act of 1964, and for other purposes;

H.R. 3816. An act to amend the Federal Trade Commission Act to expedite the enforcement of Federal Trade Commission cease and desist orders and compulsory process orders; to increase the independence of the Federal Trade Commission in legislative, budgetary, and personnel matters; and for other purposes; and

H.R. 8701. An act to amend title 38, United States Code, to increase the rates of vocational rehabilitation, educational assistance, and special training allowance paid to eligible veterans and persons, to make improvements in the educational assistance programs, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 7) entitled "An act to authorize a career education program for elementary and secondary schools, and for other purposes," request a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. WILLIAMS, Mr. PELL, Mr. RANDOLPH, Mr. KENNEDY, Mr. EAGLETON, Mr. HATHAWAY, Mr. JAVITS, Mr. STAFFORD, Mr. SCHWEIKER, and Mr. HAYAKAWA, to be the conferees on the part of the Senate.

The message also announced that the Senate had passed a bill and joint resolution of the following titles, in which the concurrence of the House is requested:

S. 2208. An act to amend the Federal charter of the Big Brothers of America to include Big Sisters International, Incorporated, and for other purposes; and

S.J. Res. 4. Joint resolution establishing the Aboriginal Hawaiian Claims Settlement Study Commission, and for other purposes.

PRIVATE CALENDAR

The SPEAKER. Pursuant to the order of the House on Tuesday, October 18, 1977, this is the day for the call of the Private Calendar. The Clerk will call the first individual bill on the Private Calendar.

JENNET JUANITA MILLER

The Clerk called the bill (H.R. 1405) for the relief of Jennet Juanita Miller.

Mr. WYLIE. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

MILOS FORMAN

The Clerk called the bill (H.R. 3085) for the relief of Milos Forman.

Mr. BOLAND. Mr. Speaker, I ask unanimous consent that this bill H.R. 3085, be recommitted to the Committee on the Judiciary.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.